

CASE

NUMBER:

99-176

Filed 8/23/99

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August 23, 1999

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RICHARD C. STOLL (1876 - 1949)
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JOHN L. DAVIS (1913 - 1970)
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GAYLE A. MOHNEY (1906 - 1980)
C. WILLIAM SWINFORD (1921 - 1988)

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AUG 23 1999

PUBLIC SERVICE
COMMISSION

Hon. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

Re: Delta Natural Gas Company, Inc.
Case No. No. 99-176

Dear Ms. Helton:

We deliver herewith for filing thirteen (13) copies of Delta's Responses to the Data Requests of the Commission and the Attorney General dated August 11, 1999, in the above-captioned case. We would appreciate your placing the Responses with the other papers in the case. Thank you for your kind assistance.

Sincerely,



Robert M. Watt, III

rmw
encl.

cc: Counsel of Record (w/encl.)
Mr. John F. Hall (w/o encl.)

RECEIVED

AUG 28 1999

PUBLIC SERVICE
COMMISSION

Notes

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DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

1. Please provide all workpapers prepared by the Company in support of the two FR# 7-a filing requirement schedules and in support of all of the schedules (Schedules 1 through 9) submitted by Delta in response to FR# 6-h.

RESPONSE:

See response to No. 23, 25 and 30 of the PSC data request dated August 11, 1999.

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

2. With regard to the claimed overall rate of return of 9.3127% on Schedule 7 and Adjusted Capitalization data on Schedule 9, please provide the following information:

a. In the Company's prior rate case, Case No. 97-066, the PSC authorized an overall rate of return of 9.077% and determined this overall rate of return by making the following calculations, as described on page 21 of its Order in that case:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	36.25%	11.60%	4.205%
LT Debt	53.41%	7.858%	4.197%
ST Debt	10.34%	6.535%	0.675%
Total	<u>100.00%</u>		<u>9.077%</u>

Please confirm the above. If you do not agree, explain your disagreement.

b. In the Company's prior rate case, Case No. 97-066, the PSC applied this overall rate of return of 9.077% to the rate base found to be appropriate in that case in order to determine the appropriate revenue requirement (see page 18 of the Order in that case). Please confirm the above. If you do not agree, explain your disagreement.

c. Under the Company's proposed hypothetical capital structure and proposed capital cost rates, the proposed overall rate of return rate established in the same way as the PSC did in the prior case as per part a. above would be as follows:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	43.50%	11.90%	5.176%
LT Debt	48.43%	7.4786%	3.622%
ST Debt	8.07%	5.410%	0.436%
Total	<u>100.00%</u>		<u>9.234%</u>

Please confirm the above. If you do not agree, explain your disagreement.

d. Under the Company's actual adjusted capital structure and proposed capital cost rates, the proposed overall rate of return rate established in the same way as the PSC did in the prior case as per part a. above would be as follows:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	29.80%	13.90%	4.142%
LT Debt	60.17%	7.4786%	4.499%
ST Debt	10.02%	5.410%	0.542%
Total	<u>100.00%</u>		<u>9.183%</u>

Please confirm the above. If you do not agree, explain your disagreement.

DELTA NATURAL GAS COMPANY
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

RESPONSE:

- a. In Case No. 97-066 this was the cost of capital allowed in the Order.
- b. In Case No. 97-066 , in that instance, yes they did.
- c. Delta calculated 9.235%.
- d. Delta calculated 9.185%.

Sponsoring Witness:

John F. Hall

Notes

A series of horizontal lines for writing notes, spanning the width of the page.

3. Please provide all studies performed by the Company or relied on by the Company to come to the conclusion that its optimal capital structure should include an equity ratio of 43.5%. If achieving an "optimum" capital structure was not the objective, provide the basis for and all calculations performed to arrive at the equity ratio of 45% [sic].

RESPONSE:

No claim was made that the imputed capital structure that I recommended in my direct testimony was optimal. In fact, published research seems to indicate that there is no such thing as an optimal capital structure. Brigham, Gapenski and Aberwald found that,

The overriding conclusion to be drawn from our analysis is this: Capital structure changes have little impact on a utility's revenue requirements or its customers' bills. Capital structure does affect the cost rates of both debt and equity, but changes in those variables are offset by changes in the weights of each capital structure component. ("Capital Structure, Cost of Capital and Revenue Requirements" by Eugene F. Brigham, Louis C. Gapenski and Dana A. Aberwald, Public Utilities Fortnightly, January 8, 1987, p. 19)

This is consistent with the conclusion of Modigliani and Miller that in a world of frictionless capital markets and no taxes, the cost of capital is independent of leverage. ("The cost of Capital, Corporation Finance and the Theory of Investment", American Economic Review, 48:261-297, June, 1958.) Modigliani and Miller concluded that the cost of equity capital increases with leverage. Since the expected return on debt is lower than the expected return on equity, the cost of equity must rise as debt is substituted in order for the average cost of capital to be constant. This research and the very low equity component in Delta's capital structure are consistent with my use of including a leverage premium for Delta to make its allowed rate of return comparable with other natural gas distribution companies that have a much higher equity component in their capital structures.

The 43.5% equity component of the imputed capital structure that I proposed in my testimony was obtained by taking the midpoint of the mean and the median in Exhibit MJB-1. I did this in order to develop a proposed imputed capital structure that would be "average" for a natural gas distribution company. The use of an imputed capital structure also provides the Commission with an alternative to including the leverage premium that is justified by Delta's low equity component. As a former Commissioner in New Mexico, I realize that the Commission may be reluctant to allow Delta the leverage premium and resulting high rate of return on equity that would be justified by Delta's low equity component. There is a tendency to look at what other regulatory agencies are doing, as evidenced by the question asked by Commission Staff in Item 52 of the Commission's August 11, 1999 Order in this proceeding. The use of an imputed capital structure would allow the Commission to use a rate of return that is similar to the rates of return being allowed in other jurisdictions, while still allowing Delta the opportunity to earn the returns that are justified by its low equity component and that Delta needs to return to financial health.

In my opinion, utilizing this imputed capital structure would generate sufficient earned returns to reverse the trend of continued decline in the equity component of Delta's capital structure and would help to begin the process of returning Delta to financial health. Even with the imputed capital structure that I recommend, Delta would not return to financial health overnight. It took a number of years for the equity component of Delta's capital structure to erode and it will take a number of years to rebuild it. However, reversing this trend will not be possible if the Commission utilizes Delta's test year end capital structure and a return on equity similar to the one granted in Delta's last rate case. Pursuing this course would cause a continued deterioration in Delta's financial condition and a continued erosion in the equity component of its capital structure.

WITNESS: Martin Blake

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

4. The rate base vs. capital structure reconciliation shows a difference of \$640,324 which, presumably is shown and explained on FR 7(a). Please provide a schedule showing exactly how the \$640,324 difference can be derived from the data on FR 7(a).

RESPONSE:

- . See response to No. 23 of the PSC data request dated August 11, 1999.

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

5. With regard to account 123 (Investments in Subsidiary Companies), page 110 of the 1998 FERC Form 2 shows a 12/31/98 balance of \$1,131,650, the 1998 Trial balance account 123 components add to \$1,132,650 for the 12/31/98 balance, and FR 7(a) shows a 12/31/98 per books balance of \$1,466,060. In this regard, provide the following information:
- a. Please provide detailed reconciliations for these three different per books balances as of 12/31/98.
 - b. On FR 7(a), provide a detailed breakout what Subsidiary Company investments make up the \$1,280,279 and what makes up the remaining "Proposed Adjustment" of \$185,781.

RESPONSE:

See Attached

WITNESS:

John Brown

INVESTMENTS OF SUBSIDIARY COMPANIES

1	a.	Investment in Delta Resources	24,866	24,866	24,866
2		Investment in Delgasco	4,073	4,073	4,073
3		Investment in Deltran	1,000	1,000	1,000
4		Investment in Enpro	216,236	216,236	216,236
5		Investment in Tranex	885,475	885,475	885,475
6		Investment in Other	-	1,000	-
7		Receivable Delta Resources	-	-	(272,528)
8		Receivable from Delgasco	-	-	(1,128,668)
9		Receivable from Deltran	-	-	(1,000)
10		Receivable from Enpro	-	-	1,231,901
11		Receivable from Tranex	<u>-</u>	<u>-</u>	<u>504,706</u>
12					
13		12/31/98 Balances	1,131,650	1,132,650	1,466,060
14					
15	b.	The \$1,280,279 subsidiary is net plant amount for Enpro. The remaining \$185,781 is to adjust the proposed balance to \$0.			

DELTA NATURAL GAS COMPANY, INC.
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ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

6. Please provide a schedule showing a breakout by plant component (e.g., plant in service, CWIP, cushion gas, etc.) of the actual Canada Mountain investments of \$14,323,170 included in the actual 12/31/98 plant balance and the actual Canada Mountain related accumulated depreciation of \$742,254.

RESPONSE:

See Attached

WITNESS:

John Brown

Line Number	Account	Description	Plant In Service	Construction Work In Progress	Total Canada With Investment	Accumulated Depreciation
1	35001	Storage Land	14,142		14,142	-
2	35002	Storage Right of Way	129,425		129,425	-
3	35005	Gas Rights Wells	1,495		1,495	-
4	351	Structures & Improvements	69,487	158,757	228,244	3,875
5	352	Storage Wells	226,147	54,178	280,325	1,696
6	35201	Storage Rights	860,396		860,396	88,453
7	35202	Storage Reservoirs	1,881,731		1,881,731	239,963
8	35203	Nonrecoverable Natural Gas	294,307		294,307	39,732
9	353	Storage Lines	5,016,089		5,016,089	197,064
10	354	Storage Comp Stat Equipmt	1,134,726		1,134,726	114,658
11	355	Storage Meas & Reg Equipmt	353,185	778	353,963	25,857
12	356	Purification Equipment	320,225		320,225	16,363
13	357	Storage Other Equipment	47,209		47,209	11,976
14	367	Transmission Mains	42,858		42,858	2,617
15	117	Cushion Gas	3,718,035	-	3,718,035	-
16						
17						
			<u>14,109,457</u>	<u>213,713</u>	<u>14,323,170</u>	<u>742,254</u>

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

7. The 12/31/98 per books Utility Plant balance on FR 7(a) is shown to be \$125,206,004 which the 1998 Trial Balance shows to consist of the following components:

Plant in Service	\$119,758,525
CWIP	\$ 1,382,759
Cushion Gas	\$ 4,046,127
Non-Utility	<u>\$ 18,592</u>
Total	\$125,206,004

In this regard, please provide the following information:

- a. Confirm the correctness of the above table. If not correct, provide the corrected data.
- b. For each of the above Utility Plan components, provide the Canada Mountain components to be removed, which should add to a total removal amount of \$14,323,170.
- c. What represents the "Proposed Adjustment" amount of \$1,587,945, used by the Company to arrive at the proposed adjusted Utility Plant balance of \$112,470,779?
- d. Provide a schedule showing a detailed reconciliation between the adjusted 12/31/98 Utility Plant balance of \$112,470,779 and the corresponding balance of \$114,965,626 on Schedule 7, line 1.
- e. Explain the difference of \$2,602 between the 12/31/98 plant balance of \$109,369,706 on Item 24,

RESPONSE:

See Attached

WITNESS:

John Brown

<u>Line Number</u>		<u>Adjusted Utility Plant Balance</u>	<u>Plant Balance Schedule 7 Line 1</u>
1	Delta Plant	119,758,525	119,758,525
2	Delta CWIP	1,382,759	1,382,759
3	Delta Non Utility 121	18,592	18,592
4	Delta Cushion Gas 117	4,046,127	4,046,127
5	Delta Plant - Canada Mtn	(10,391,422)	(10,391,422)
6	Delta CWIP - Canada Mtn	(213,713)	(213,713)
7	Delta Cushion Gas - Canada Mtn	(3,718,035)	(3,718,035)
8	Tranex Plant	4,044,292	4,044,291
9	Tranex CWIP	38,502	38,502
10	Tranex Depreciation	(2,494,848)	
11	TOTAL	<u>112,470,779</u>	<u>114,965,626</u>

DELTA NATURAL GAS COMPANY, INC.
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ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

8. In the same format and detail as per "Item 12, pages 1 and 2 of 5, provide the monthly, total, and annual monthly average balances for A/C 107 CWIP and A/C 107 CWIP related Accounts Payables from December 1996 through December 1997.

RESPONSE:

See Attached

WITNESS:

John Brown

BALANCE IN ACCTS PAYABLE

LINE NUMBER	MONTH ENDED	A/C 107		A/C 107	
		CONSTR	WIP	CONSTR	WIP
1	Dec-97	1,169,046		417,952	
2	Nov-97	2,011,820		437,765	
3	Oct-97	2,167,776		513,708	
4	Sep-97	1,875,475		653,384	
5	Aug-97	1,761,733		741,644	
6	Jul-97	2,701,018		360,829	
7	Jun-97	2,090,856		360,946	
8	May-97	2,668,236		368,809	
9	Apr-97	2,317,442		153,805	
10	Mar-97	3,089,014		155,054	
11	Feb-97	2,601,079		111,812	
12	Jan-97	2,789,310		266,656	
13	Dec-96	3,217,053		562,585	
14	TOTAL	30,459,858		5,104,949	
15	AVERAGE	2,343,066		392,688	

DELTA NATURAL GAS COMPANY, INC.
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ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

9. With regard to the monthly A/C 107 CWIP balances shown on page 1 of 5 of the response to PSC data request # 12, please provide the following information:
- a. Do the monthly balances shown for Dec 1997 through Dec 1998 represent CWIP balances exclusive of Canada Mountain? If not, what adjustments were made to the Company's per books CWIP balances to arrive at the adjusted CWIP balances on page 1 of 5? What adjusted CWIP balance is included in rate base as part of the Property balance of \$114,965,626?
 - b. All monthly adjusted CWIP balances from December 1995 through December 1997 stated on an equivalent basis as the monthly CWIP balances for Dec 1997 through Dec 1998 on page 1 of 5.
 - c. All actual monthly adjusted CWIP balances from December 1998 through July 1999 and as projected for the remaining months of 1999 stated on an equivalent basis as the monthly CWIP balances for Dec 1997 through December 1998 on page 1 of 5.

RESPONSE:

See Attached

WITNESS:

John Brown

<u>Line Number</u>	<u>Response to Item 9</u>
1	a. Yes, CWIP amounts shown exclude Canada Mountain.
2	The CWIP balance included in rate base as part of the Property Balance of \$114,965,626
3	does not include Canada Mountain. The adjusted CWIP balance is \$1,169,046.
4	b. See Schedule
5	c. See Schedule

LINE NUMBER	MONTH ENDED	A/C 107		MONTH ENDED	A/C 107	
		CWIP			CWIP	
1	Dec-97	121,319		Dec-99	978,000	Estimate
2	Nov-97	517,136		Nov-99	1,131,100	Estimate
3	Oct-97	1,150,739		Oct-99	1,199,400	Estimate
4	Sep-97	313,831		Sep-99	1,183,700	Estimate
5	Aug-97	1,021,529		Aug-99	1,282,400	Estimate
6	Jul-97	1,830,021		Jul-99	1,559,200	Estimate
7	Jun-97	1,077,283		Jun-99	823,614	
8	May-97	2,559,800		May-99	612,963	
9	Apr-97	3,872,094		Apr-99	1,095,954	
10	Mar-97	657,134		Mar-99	1,816,935	
11	Feb-97	1,887,824		Feb-99	1,408,560	
12	Jan-97	2,928,671		Jan-99	993,964	
13	Dec-96	1,350,672		Dec-98	1,169,046	
14	Nov-96	1,889,310				
15	Oct-96	2,324,827				
16	Sep-96	1,421,990				
17	Aug-96	2,034,753				
18	Jul-96	2,273,894				
19	Jun-96	2,285,782				
20	May-96	3,146,144				
21	Apr-96	3,659,578				
22	Mar-96	3,407,489				
23	Feb-96	2,969,770				
24	Jan-96	3,030,529				
25	Dec-95	3,217,053				

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

10. The FERC Form 2, page 110 accumulated depreciation balance (including non-utility) amounts to \$33,478,352 which is also shown as the per books 12/31/98 balance on FR 7(a). In this regard, please provide the following information:
- a. Reconcile the "Proposed" balance of \$32,756,310 on FR 7(a) to the corresponding 12/31/98 adjusted balance of \$32,717,506 on Item 12, page 1 of 5.
 - b. Reconcile both the balances stated in part b. above to the reserve balance of \$35,230,946 on line 2 of Schedule 7.

RESPONSE:

See Attached

WITNESS:

John Brown

<u>Line Number</u>	Response to Item 10	<u>Proposed Depr Balance</u>	<u>Item 12 Page 1 Depr Balance</u>	<u>Schedule 7 Depr Balance</u>
1	a. Delta Depr	33,459,760	33,459,760	
2	Delta Depr - Canada Mtn	(742,254)	(742,254)	
3	Delta Non Utility Property	18,592		
4	See FR 6(h) Schedule 5	20,212		
5		<u>32,756,310</u>	<u>32,717,506</u>	
6	b. Delta Depr	33,459,760	33,459,760	33,459,760
7	Delta Depr - Canada Mtn	(742,254)	(742,254)	(742,254)
8	Delta Non Utility Property	18,592		18,592
9	See FR 6(h) Schedule 5	20,212		
10	Tranex Depr			<u>2,494,848</u>
11		<u>32,756,310</u>	<u>32,717,506</u>	<u>35,230,946</u>

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

11. With regard to WP5 1, page 3, please provide the following information:
 - a. Show the derivation of the Canada Mountain depreciation expenses of \$463,710 from the data on WP5 1, pages 1, 2, and 3.
 - b. Explain and provide workpapers and actual source documentation for the Tranex depreciation addition of \$126,144.

RESPONSE:

See Attached

WITNESS:

John Brown

Line Number	Response to Item 11	Plant	CWIP	Total Plant	Depr Rate	Annualized Depreciation
1	a. See Canada Mountain Schedule, Line 7 of Page 5.					
2						
3						
4	b. <u>Tranex as of 12/31/98</u>					
5	36501 Transmission Land and Land Rights	10,000		10,000	0.0%	-
6	36502 Transmission Rights of Way	227,267		227,267	0.0%	-
7	367 Transmission Mains	4,051,497	38,502	4,089,999	2.5%	102,250
8	368 Transm Compressor Station Equipmt	519,600		519,600	4.5%	13,442
9	369 Transm Meas & Reg Stat Equipmt	145,142		145,142	3.0%	4,354
10	371 Telemetering Equipment	60,982		60,982	10.0%	6,098
11						
12						
	Total	5,014,488	38,502	5,052,990		126,144

DELTA NATURAL GAS CO., INC.
 CANADA MOUNTAIN
 PLANT COST INCURRED THROUGH DECEMBER 31, 1998

LINE NUMBER	PLANT ACCOUNT	DESCRIPTION	ANNUALIZED					
			TOTAL PLANT	TOTAL WIP	TOTAL PLANT & WIP	TOTAL DEPR	DEPR RATE	
1	35001	STORAGE LAND						
2			14,141.61		14,141.61	-	0.00%	-
3		PURCHASE COMPRESSOR SITE FROM FITZPATRICK HEIRS						
4	35002	STORAGE RIGHT OF WAY						
5			129,425.47	-	129,425.47	-	0.00%	-
6		STORAGE RIGHT OF WAY - EASEMENTS						
7								
8	35005	GAS RIGHTS WELLS						
9			1,494.93		1,494.93	-	0.00%	-
10		TRANSFER CARNES #2 & #3 WELL TO DELTA						
11								
12	351	STRUCTURES & IMPROVEMENTS						
13			158,757.58		158,757.58			
14		CONSTRUCT ROADS TO CANADA MTN STORAGE FIELDS						
15			3,252.08		3,252.08			
16		FENCE AROUND PIG LAUNCHER						
17			56,071.56		56,071.56			
18		INSTALL BLDG FOR COMPRESSORS						
19			10,162.93		10,162.93			
20		STORAGE BLDG AT COMPRESSOR STATION						
21			69,486.57	158,757.58	228,244.15	3,875	3.00%	6,847
22		TOTAL A/C 351						
23								
24	352	STORAGE WELLS						
25			226,147.14	-	226,147.14			
26		DRILL PINK FUSON #1 OBSERVATION WELL						
27			54,177.87		54,177.87			
28		INSTALL EQUIPMENT AT CARNES #2 OBSERVATION WELL						
29			226,147.14	54,177.87	280,325.01	1,696	4.50%	12,615
30		TOTAL A/C 352						
31								
32	35201	STORAGE RIGHTS						
33			275,537.41	-	275,537.41			
34		PURCHASE STORAGE RIGHTS FROM LONNIE D. FERRIN						
35			15,102.72		15,102.72			
36		PURCHASE STORAGE RIGHTS FROM FITZPATRICK HEIRS						
37			66,288.16		66,288.16			
38		CANADA MTN STUDY - PAYMENT TO THOMAS CARNES						
39								

DELTA NATURAL GAS CO., INC.
 CANADA MOUNTAIN
 PLANT COST INCURRED THROUGH DECEMBER 31, 1998

LINE NUMBER	PLANT ACCOUNT	DESCRIPTION	TOTAL PLANT	TOTAL WIP	TOTAL PLANT & WIP	TOTAL DEPR	DEPR RATE	ANNUALIZED DEPR
1		STORAGE LEASE PAYMENT - EQUITABLE RESOURCES	503,468.00	-	503,468.00			
2								
3		TOTAL A/C 35201	860,396.29	-	860,396.29	88,453	4.50%	38,718
4								
5	35202	STORAGE RESERVOIRS						
6								
7		PURCHASE SIX GAS WELLS AND ASSOCIATED EQUIPMENT	1,464,833.41		1,464,833.41			
8		FROM LONNIE D. FERRIN						
9								
10		REWORK AND EVALUATE ALL SIX GAS WELLS AT CANADA MTN	416,897.44		416,897.44			
11		INSTALL NEW TUBING AND WELL HEADS AS NEEDED						
12								
13		TOTAL A/C 35202	1,881,730.85	-	1,881,730.85	239,963	4.50%	84,678
14								
15	35203	NONRECOVERABLE NATURAL GAS						
16								
17		PURCHASE OF REMAINING GAS RESERVES FROM	294,306.84		294,306.84	39,732	4.50%	13,244
18		LONNIE D. FERRIN						
19								
20	353	STORAGE LINES						
21								
22		INSTALLED 2,647' 8" STEEL AND 100' 4" STEEL PIPELINE FROM	113,477.76		113,477.76			
23		WELL 119 TO WELL 21-1 AT CANADA MTN						
24		4" VALVE SET ABOVE GROUND						
25		8" DRIP TANK						
26								
27		INSTALLED 56' 4" STEEL PIPELINE AT WELL 119	1,120.00		1,120.00			
28								
29		PURCHASE STORAGE FIELD PIPELINE FROM LONNIE D. FERRIN	650,027.47		650,027.47			
30		13,275' 4" STEEL, 2,200' 6" STEEL, 16,075' 8" STEEL						
31								
32		INSTALL 12" LINE FROM CANADA MTN TO FLAT LICK	4,232,847.84	-	4,232,847.84			
33								
34		STORAGE LINE AT WELL 21-1 105' 6" STEEL	3,147.98		3,147.98			
35								
36		HYDROSTATICALLY RETEST LINES	15,468.44	-	15,468.44			
37								
38		TOTAL A/C 353	5,016,089.49	-	5,016,089.49	197,064	4.50%	225,724

DELTA NATURAL GAS CO., INC.
 CANADA MOUNTAIN
 PLANT COST INCURRED THROUGH DECEMBER 31, 1998

LINE NUMBER	PLANT ACCOUNT	DESCRIPTION	TOTAL PLANT	TOTAL WIP	TOTAL PLANT & WIP	TOTAL DEPR	DEPR RATE	ANNUALIZED DEPR
1	354	STORAGE COMPRESSOR STATION EQUIPMENT						
2								
3		INSTALL A COMPRESSOR STATION NEAR WELL 119	1,132,138.67		1,132,138.67			
4								
5		SET REG AT COMP TO CONTROL SUCTION	2,586.94		2,586.94			
6								
7		TOTAL A/C 354	1,134,725.61		1,134,725.61	114,658	4.50%	51,063
8								
9	355	STORAGE MEASURING & REGULATING EQUIPMENT						
10								
11		INSTALL MEASUREMENT, REGULATION AND ASSOCIATED						
12		EQUIPMENT AT WELL 119	75,861.52		75,861.52			
13								
14		MEASUREMENT & REGULATION EQUIPMENT AT THE TIE-IN						
15		POINT OF CANADA MTN TO THE MIDDLESBORO/	34,558.06		34,558.06			
16		MANCHESTER SYSTEM LOCATED AT THE BOTTOM OF THE						
17		HILL AT THE OLD COMPRESSOR SITE						
18								
19		INSTALL MEASUREMENT AND ASSOCIATED EQUIPM AT WELL 21-1	45,263.19		45,263.19			
20								
21		INSTALL MEASUREMENT AND ASSOCIATED EQUIPM AT WELL 18-1A	28,409.87		28,409.87			
22								
23		INSTALL MEASUREMENT AND REGULATION EQUIPMENT NEAR						
24		WELL 119 AND THE COMPRESSOR STATION AT CANADA MTN	79,061.11		79,061.11			
25		MASTER METER LOCATED AT THE TOP OF THE HILL						
26								
27		MEASUREMENT & ASSOC EQUIPMT WELL 22-1	29,280.93		29,280.93			
28								
29		MEASUREMENT & ASSOC EQUIPMT WELL 22-2	29,632.95		29,632.95			
30								
31		INSTALL MEAS & ASSOC EQUIP AT WELL 22-3	31,117.03		31,117.03			
32								
33		REPLACE 2 REGULATORS AT STATION 711		777.85	777.85			
34								
35		TOTAL A/C 355	353,184.66	777.85	353,962.51	25,857	3.00%	10,619

DELTA NATURAL GAS CO., INC.
 CANADA MOUNTAIN
 PLANT COST INCURRED THROUGH DECEMBER 31, 1998

LINE NUMBER	PLANT ACCOUNT	DESCRIPTION	TOTAL PLANT	TOTAL WIP	TOTAL PLANT & WIP	TOTAL DEPR	DEPR RATE	ANNUALIZED DEPR
1	356	<u>PURIFICATION EQUIPMENT</u>						
2		INSTALL DEHYDRATOR AT WELL 119	63,545.36		63,545.36			
3								
4		DUMP VALVES AND STORAGE TANKS FOR WELLS	23,527.49		23,527.49			
5								
6		INSTALL DEHYDRATOR AT WELLS	62,709.33		62,709.33			
7								
8		DEHYDRATOR & STORAGE TANK WELL 22-3	44,486.08		44,486.08			
9								
10		DEHYDRATOR & STORAGE TANK WELL 22-1	42,890.90		42,890.90			
11								
12		DEHYDRATOR & STORAGE TANK WELL 22-2	42,438.07		42,438.07			
13								
14		DEHYDRATOR AT WELL 18-1A	40,627.69		40,627.69			
15								
16		TOTAL A/C 356	320,224.92	-	320,224.92	16,363	4.50%	14,410
17								
18								
19	357	<u>STORAGE OTHER EQUIPMENT</u>						
20		INSTALL TELEMETERING TO MEASUREMENT AND REGULATION	18,063.07		18,063.07			
21		STATION LOCATED AT THE BOTTOM OF THE HILL AT CANADA MTN						
22								
23		TELEMETERING AT MEAS & REG STAT WELL 119	29,146.32		29,146.32			
24								
25		TOTAL A/C 357	47,209.39	-	47,209.39	11,976	10.00%	4,721
26								
27								
28	367	<u>TRANSMISSION MAINS</u>						
29		INSTALLED 8" ABOVE GROUND VALVE IN THE MIDDLESBORO/	14,173.31		14,173.31			
30		MANCHESTER 8" PIPELINE NORTH OF CANADA MTN SIDE						
31		VALVE						
32								
33		INSTALL TRANSM LINE WHEN INSTALLING MEAS AT WELL 18-1A	3,060.00		3,060.00			
34								
35		INSTALL 327" 8" STEEL AT TIE-IN POINT OF CANADA MTN TO THE	7,521.00		7,521.00			
36		MIDDLESBORO MANCHESTER SYSTEM LOCATED AT THE BOTTOM OF						
37		THE HILL AT THE OLD COMPRESSOR SITE						
38								

DELTA NATURAL GAS CO., INC.
 CANADA MOUNTAIN
 PLANT COST INCURRED THROUGH DECEMBER 31, 1998

LINE NUMBER	PLANT ACCOUNT	DESCRIPTION	TOTAL PLANT	TOTAL WIP	TOTAL PLANT & WIP	TOTAL DEPR	DEPR RATE	ANNUALIZED DEPR
1		REP DUE TO SLIDE ON CANADA MTN 661' 8" STEEL	18,103.95		18,103.95			
2								
3		TOTAL A/C 367	42,858.26	-	42,858.26	2,617	2.50%	1,071
4								
5								
6								
7		TOTAL COST INCURRED AS OF 12/31/98	10,391,422.03	213,713.30	10,605,135.33	742,254		463,710

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

12. In the same format and detail as per "Item 12, pages 1 and 2 of 5, provide the monthly, total, and annual monthly average balances for the Total Materials and Supplies Account and the Total Materials and Supplies Account related Accounts Payables from December 1996 *through* December 1997.

RESPONSE:

See Attached

WITNESS:

John Brown

LINE NUMBER	MONTH ENDED	A/C 154 INVENTORY MATERIALS	A/C 18403 OPR EXP VEHICLES	A/C 18404 NON OWNED VEHICLE EXP	A/C 18405 TRANP EXP CLEARED	A/C 18408 WORK EQUIP OPER & MINT COST	A/C 18409 WORK EQUIP EXP CLEARED	TOTAL MATERIALS & SUPPLIES ACCGUNT
1	Dec-97	689,565	1,209,641	546	(1,157,717)	281,054	(312,731)	710,358
2	Nov-97	869,399	1,139,391	546	(1,100,364)	261,674	(296,145)	874,501
3	Oct-97	676,382	1,068,402	502	(1,045,877)	248,482	(279,041)	668,850
4	Sep-97	695,682	991,130	502	(975,573)	229,580	(252,714)	688,607
5	Aug-97	740,576	902,053	502	(911,908)	214,775	(231,344)	714,654
6	Jul-97	841,282	838,033	502	(847,758)	198,942	(207,917)	823,084
7	Jun-97	773,108	782,965	502	(783,467)	185,564	(185,564)	773,108
8	May-97	791,223	699,377	502	(654,173)	168,225	(155,563)	849,591
9	Apr-97	661,739	643,049	432	(592,037)	136,533	(141,168)	708,548
10	Mar-97	775,126	568,703	406	(527,314)	120,738	(123,899)	813,760
11	Feb-97	602,848	487,054	406	(469,843)	105,316	(112,239)	613,542
12	Jan-97	622,602	431,655	406	(411,989)	93,664	(102,618)	633,720
13	Dec-96	621,479	376,479	406	(346,666)	80,264	(91,240)	640,722
14	TOTAL	9,361,011	10,137,932	6,160	(9,824,686)	2,324,811	(2,492,183)	9,513,045
15	AVERAGE	720,078	779,841	474	(755,745)	178,832	(191,706)	731,773

BALANCE IN ACCOUNTS PAYABLE

LINE NUMBER	MONTH ENDED	A/C 154 INVENTORY MATERIALS	A/C 18403 OPR EXP VEHICLES	A/C 18404 NON OWNED VEHICLE EXP	A/C 18408 WORK EQUIP OPER & MNT COST	TOTAL MATERIALS & SUPPLIES ACCOUNT
1	Dec-97	34,535	9,638	0	3,908	48,081
2	Nov-97	316,356	16,329	44	1,816	334,545
3	Oct-97	113,634	21,426	0	4,161	139,221
4	Sep-97	88,076	37,274	0	2,420	127,770
5	Aug-97	106,594	16,745	0	4,355	127,694
6	Jul-97	311,850	16,514	0	1,688	330,052
7	Jun-97	26,134	27,913	0	4,594	58,641
8	May-97	205,778	13,175	70	9,311	228,334
9	Apr-97	52,878	22,531	26	6,826	82,261
10	Mar-97	174,732	17,079	0	2,330	194,141
11	Feb-97	43,700	9,621	0	796	54,117
12	Jan-97	49,143	15,119	0	2,364	66,626
13	Dec-96	30,117	24,278	37	3,787	58,219
14	TOTAL	1,553,527	247,642	177	48,356	1,849,702
15	AVERAGE	119,502	19,049	14	3,720	142,285

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

13. What percentage of the Company's average annual M&S balance typically gets capitalized rather than expensed during any particular year?

RESPONSE:

See Attached

WITNESS:

John Brown

LINE NUMBER	MONTH ENDED	A/C 154 INVENTORY MATERIALS	A/C 18403 OPR EXP VEHICLES	A/C 18404 NON OWNED VEHICLE EXP	A/C 18405 TRAMP EXP CLEARED	A/C 18408 WORK EQUIP OPER & MNT COST	A/C 18409 WORK EQUIP EXP CLEARED	TOTAL MATERIALS & SUPPLIES ACCOUNT	AMOUNT OF MAT & SUPPLIES TO CWP	% OF M & S CAPITALIZED
1	Dec-98	458,155	2,012,971	546	(2,027,377)	478,922	(471,406)	451,811	94,273	20.87%
2	Nov-98	515,786	1,931,667	546	(1,961,511)	461,636	(458,968)	489,156	109,030	22.29%
3	Oct-98	535,410	1,864,774	546	(1,896,663)	446,563	(443,523)	507,107	68,496	13.51%
4	Sep-98	568,708	1,797,140	546	(1,820,985)	426,696	(424,983)	547,122	61,437	11.23%
5	Aug-98	516,052	1,733,516	546	(1,749,833)	408,513	(407,947)	500,847	99,449	19.86%
6	Jul-98	531,962	1,665,362	546	(1,678,522)	390,089	(390,219)	519,218	47,256	9.10%
7	Jun-98	520,363	1,604,320	546	(1,604,867)	374,903	(374,903)	520,362	44,060	8.47%
8	May-98	555,063	1,539,401	546	(1,452,364)	361,226	(367,283)	636,589	55,546	8.73%
9	Apr-98	588,675	1,478,802	546	(1,392,892)	346,225	(353,506)	667,850	90,037	13.48%
10	Mar-98	623,961	1,416,375	546	(1,334,953)	326,815	(340,719)	692,025	101,665	14.69%
11	Feb-98	714,383	1,341,552	546	(1,273,912)	313,091	(328,432)	767,228	7,933	1.03%
12	Jan-98	703,144	1,278,804	546	(1,217,667)	299,266	(322,063)	742,030	21,763	2.93%
13	Dec-97	689,565	1,209,641	546	(1,157,717)	281,054	(312,731)	710,358	218,330	30.74%
14	TOTAL	7,521,227	20,874,325	7,098	(20,569,263)	4,914,999	(4,996,683)	7,751,703	1,019,275	13.15%
15	AVERAGE	578,556	1,605,717	546	(1,582,251)	378,077	(384,360)	596,285	78,406	13.15%

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

14. With regard to Prepayments, provide the following information:
- a. For each of the 13-months starting Dec 1997 through Dec 1998, provide the monthly and annual monthly average prepayment balances, broken out by specific prepayment item.
 - b. Provide a breakout of all of the insurance items included in the average annual prepaid insurance balance.

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

Line No.	DATE	INSURANCE GENERAL LIABILITY	INSURANCE EXCESS LIABILITY, CRIME, ETC (1)	AUTO INSURANCE	SALARY CONTINUATION	KY STATE ASSESSMENT	BALANCE PREPAYMENT ACCOUNT 1165
1	12/31/1997	1,300.00	41,656.00	8,440.00	38,485.71	24,300.00	114,181.71
2	1/31/1998	(7,600.00)	20,828.00	4,220.00	32,284.71	20,250.00	69,982.71
3	2/28/1998	(16,200.00)	-	-	26,498.71	16,200.00	26,498.71
4	3/31/1998	69,258.55	220,748.00	48,510.00	22,027.71	12,150.00	372,694.26
5	4/30/1998	60,558.55	200,680.00	44,100.00	15,257.17	8,100.00	328,695.72
6	5/31/1998	51,158.55	180,612.00	39,690.00	9,072.17	4,050.00	284,582.72
7	6/30/1998	41,958.55	160,544.00	35,280.00	2,887.17	-	240,669.72
8	7/31/1998	31,658.55	140,476.00	30,870.00	(2,829.15)	65,670.00	265,845.40
9	8/31/1998	22,358.55	120,408.00	26,460.00	61,928.00	59,700.00	290,854.55
10	9/30/1998	12,958.55	100,340.00	22,050.00	56,074.50	53,730.00	245,153.05
11	10/31/1998	3,158.55	80,272.00	17,640.00	49,489.00	47,760.00	198,319.55
12	11/30/1998	(6,341.45)	60,204.00	13,230.00	42,903.50	41,790.00	151,786.05
13	12/31/1998	(15,941.45)	40,136.00	8,820.00	36,733.00	35,820.00	105,567.55
14					13 MONTH AVERAGE BALANCE		207,294.75

(1) Includes Fiduciary, Excess Liability, Directors & Officers, Crime Coverage, Boiler & Machinery, Equipment Floater, Commercial Property, Employee Benefits, Empl Practice

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

15. Identify any M&S balances and/or prepayment balances that are related to unregulated subs or the Canada Mountain project

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Item 15.

Line No.

- 1 There are no M & S balances and/or prepayment balances which specifically relate to
- 2 unregulated subs.
- 3
- 4 Delta's policies do cover the compressor stations, operators's extra expense and blanket
- 5 surety for gas wells at Canada Mountain, but these items are not detailed in the policies.

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

16. What represents the difference between the 12/31/98 FERC Form 2 account 164 Gas Stored Underground balance of \$3,364,903 (also see FR 7(a), and the proposed adjusted balance in rate base of \$265,579?

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

Item 16

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

1	Canada Mountain Storage Gas is the difference between FERC Form 2 and the adjusted	
2	balance in the rate base.	
3		
4	Pioneer Wells Storage Gas	\$ 265,579
5	Canada Mountain Storage Gas	<u>\$ 3,099,324</u>
6	Total storage gas (FERC Form 2)	<u><u>\$ 3,364,903</u></u>

11/11/11

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DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

17. Please provide the monthly balances for Advances for Construction for the period Dec 1997 through Dec 1998 and for each of the months of 1999 for which actual data is available at this time.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176

Item 17

Line No.	Month/Yr	Balance
1	Dec-97	(3,027,045.01)
2	Jan-98	(3,097,045.01)
3	Feb-98	(3,097,045.01)
4	Mar-98	(3,097,045.01)
5	Apr-98	(3,124,245.01)
6	May-98	(3,191,445.01)
7	Jun-98	(2,893,410.01)
8	Jul-98	(2,948,290.01)
9	Aug-98	(3,247,750.01)
10	Sep-98	(3,247,150.01)
11	Oct-98	(3,247,150.01)
12	Nov-98	(3,377,350.01)
13	Dec-98	(3,391,350.01)
14	Jan-99	(3,573,250.01)
15	Feb-99	(3,573,250.01)
16	Mar-99	(3,634,850.01)
17	Apr-99	(3,664,650.01)
18	May-99	(3,940,450.01)
19	Jun-99	(3,960,050.01)

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

18. Page 3 of 5 of Item 12 shows that as part of the total 12/31/98 ADIT balance, A/C 28302 Regulatory ITC has the effect of increasing rate base by \$392,500 (by virtue of the fact that it has reduced the total ADIT rate base deduction by \$392,500). In this regard, provide the following information:
- a. Confirm the above statement. If you do not agree, explain your disagreement in detail.
 - b. Account 254 Other Regulatory Liabilities (see page 278 of the 1998 FERC Form 2) includes the same Regulatory ITC balance of \$392,500, representing the exact counteraccount to the Regulatory ITC balance of \$392,500 included in the total ADIT balance. Please confirm this. If you do not agree, explain your disagreement.
 - c. The Account 254 Other Regulatory Liabilities balance of \$392,500 (see page 278 of the 1998 FERC Form 2) has not been treated as a rate base deduction in this case by Delta.

Please confirm this. If you do not agree, explain your disagreement.

RESPONSE:

- a. I agree
- b. I agree
- c. I agree

WITNESS:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

19. In the prior case, Case No. 97-066, the PSC, on rehearing, allowed a total ADIT balance of \$7,389,051, as shown on page 2 of the PSC's Rehearing Order in that case. This net ADIT balance consisted of the following components:

A/C 28201 Accel. Depreciation	(\$8,414,800)
A/C 28205 Alt Minimum Tax	\$1,305,600
A/C 28207 Adv. For Construction	\$ 41,400
A/C 282010 Unamort. Debt Exp.	(\$ 321,751)
A/C 282012 Storage Gas	<u>500</u>
TOTAL	<u>\$7,389,051</u>

In this regard, please provide the following information:

- a. Please confirm the above information. If you do not agree, explain your disagreement.
- b. If the exact same ADIT components as allowed by the PSC on rehearing in the prior case were to be used in the current case, page 3 of 5 of Item 12 in this case would show the following total net ADIT balance as of 12/31/98:

A/C 28201 Accel. Depreciation	(\$10,034,325)
A/C 28205 Alt Minimum Tax	\$ 1,274,100
A/C 28207 Adv. For Construction	\$ 43,700
A/C 282010 Unamort. Debt Exp.	(\$ 388,205) = 85.17% X (\$455,800)
A/C 282012 Storage Gas	<u>\$ 1,100</u>
TOTAL	<u>\$ 9,103,630</u>

Please confirm the above information. If you do not agree, explain your disagreement.

RESPONSE:

- a. I agree
- b. I agree

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.
CASE NUMBER 99-176

- 1 20. Page 4 of 5 of Item 12n shows on a monthly basis for the year 1998 the customer deposit receipts,
2 refunds and net cumulative balance. In this regard, please provide the following information:
3
4 a. Describe the customer deposit receipt and refund policy used by the Company.
5 b. Provide the actual monthly customer deposit balances for 1995, 1996, 1997 and 1999 through
6 July or the most recent month for which actual data are available.
7 c. Confirm that Item 12n, page 4 of 6 shows that the average test year customer deposit balance
8 is \$493,566 as opposed to the 12/31/98 balance of \$594,863.
9 d. Confirm that the Company has proposed to include interest on customer deposits as a pro
10 forma above-the-line expense of \$35,692 which was calculated by applying the 6% interest
11 rate to the 12/31/98 customer deposit balance of \$594,863 (see Schedule 4).
12 e. Why has the Company treated the interest on customer deposits as a pro forma above-the-line
13 expense without treating the associated customer deposit balance as a rate base deduction?
14 f. Would the Company agree that it is generally accepted ratemaking practice to either (1)
15 include customer deposits in the capital structure at a cost rate of 6% or (2) deduct the
16 customer deposit balance from rate base and treat the interest expense as a pro forma above-
17 the-line expense? If you do not agree, explain your disagreement in detail.
18 g. Isn't it true that in the prior case, the Company, consistent with the generally accepted
19 ratemaking principle described in part f. above, included customer deposits in the capital
20 structure at a cost rate of 6%?
21

22
23 RESPONSE:

- 24 a. See attachment
25
26 b. See attached schedules
27
28 c. Yes.
29
30 d. Yes.
31
32 e. This is in conformity with the order in Case No. 99-066.
33
34 f. Delta has conformed to the order issued in Case No. 99-066.
35
36 g. Yes.
37
38
39
40
41
42
43

44 Sponsoring Witness:

45 John Brown
46

FOR All Service Areas
 P.S.C. NO. 8
 Original PUBLIC SERVICE COMMISSION
OF KENTUCKY SHEET NO. 18
 CANCELLING P.S.C. NO. 7
 Original EFFECTIVE SHEET NO. 17 & 18

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

NOV 30 1997

CLASSIFICATION OF SERVICE PURSUANT TO 807 KAR 5:011,
RULES AND REGULATIONS SECTION 9(1)

BY: Stekand Beg

supply when such failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient supply or an adequate or uniform pressure of the gas supplied and shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.

15. EXCLUSIVE SERVICE

Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The customer shall not sell the gas purchased from the Company to any other customer, company or person, and the customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used on premises not owned or controlled by the customer.

AG-20 a.)
16.

DEPOSITS

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except from customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid on all sums held on deposit. The interest will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis. If the deposit is refunded or credited to the customer's bill prior to the deposit anniversary date, interest will be paid or credited to the customer's bill on a pro-rated basis. If interest is not paid to the customer or credited to the customer's bill annually, interest will be computed by a method which will result in an amount not less than that obtained by using middle course method between simple and compound interest in compliance with the Commission Order dated October 31, 1989 in Case No. 89-057. Interest on deposits computed in this manner will accrue until paid to the customer or credited to the customer's bill.

DATE OF ISSUE December 18, 1997 DATE EFFECTIVE November 30, 1997
 ISSUED BY Glenn R. Jennings *Glenn R. Jennings* TITLE President
 Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in
 CASE NO. 97-066 DATED December 8, 1997

FOR All Service Areas
P.S.C. NO. 8
Original PUBLIC SERVICE COMMISSION 19
CANCELLING P.S.C. OF KENTUCKY 7
Original EFFECTIVE SHEET NO. 18 & 19

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

NOV 30 1997

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

PURSUANT TO 807 KAR 5.011,
SECTION 5 (1)

BY: Stewart Bill
Public Service Commission

The deposit may be waived upon a customer's showing of satisfactory credit or payment history. Required deposits will be credited to the customer's bill between twelve and fifteen months after the month of deposit if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. Upon termination of service, the deposit and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria may be considered:

- (1) Previous payment history with the Company. If the customer has no previous history with the Company, statements from other regulated public utilities may be presented by the customer as evidence of good credit.
- (2) Length of time the customer has resided or been located in the area.
- (3) Whether the customer owns the property where service is to be rendered.
- (4) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

If a deposit is held longer than eighteen months, the deposit will be recalculated at the customer's request based on the customer's actual usage for the past twelve months. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and refunds, if any, will be credited to the customer's next utility bill. No refund will be made if the customer's bill is delinquent at the time of recalculation.

Once each year, a billing insert will be included with the bill advising the customer of the right to request a deposit recalculation.

DATE OF ISSUE December 18, 1997 DATE EFFECTIVE November 30, 1997
ISSUED BY Glenn R. Jennings Glenn R. Jennings TITLE President
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 97-066 DATED December 8, 1997

FOR All Service Areas
P.S.C. NO. 8
Original SHEET NO. 20
CANCELLING P.S.C. OF KENTUCKY 7
Original EFFECTIVE SHEET NO. 19 & 20

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

NOV 30 1997

CLASSIFICATION OF SERVICE

RULES AND REGULATIONS PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephen D. Bell

(T) Residential and small commercial customers with meters up through AL425
(T) will pay equal deposits in the amount of \$95.00. This amount does not
exceed 2/12ths of the average annual bill.

(T) Large commercial and industrial customer's deposits shall be based upon
actual usage of the customer at the same or similar premises for the
most recent twelve month period if such information is available. If
usage information is not available, the deposit will be based on the
average bills of similar customers and premises in the system. The
deposit amount shall not exceed 2/12ths of the customer's actual or
estimated annual bill.

17. MONTHLY CUSTOMER CHARGE

A monthly customer charge shall be rendered against every meter
installed unless service is discontinued in one customer's name and is
not to be re-served at the location.

Special permission may be obtained from the local distribution
supervisor for waiving of the monthly customer charge only when initial
service is being rendered and no gas except test gas has been passed by
the meter.

A full monthly customer charge will be rendered whenever service has
been used for more than fifteen (15) days of a billing month, even if
the consumption of the customer is zero (0).

If service is used less than fifteen (15) days in a given billing month
and any consumption is recorded, the normal billing procedure shall
apply.

18. MONTHLY BILLS

Bills for gas service will be rendered monthly unless otherwise
specified. The term "month" for billing purposes shall mean the period
between any two consecutive readings of the meter by the Company, such
reading to be taken as near as practicable every thirty (30) days.

Bills are due upon rendition and payable within a period not exceeding
ten (10) days after the date of mailing.

DATE OF ISSUE December 18, 1997 DATE EFFECTIVE November 30, 1997

ISSUED BY Glenn R. Jennings Glenn R. Jennings TITLE President
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in

CASE NO. 97-066 DATED December 8, 1997

AG-20-b - 1995				
Delta Natural Gas Company, Inc.				
CASE NO. 99-176				
Summary of Customer Deposits				
1995				
Line No.	Month (a)	Receipts (b)	Refunds (c)	Balance (d)
1.	Balance Beginning of 1995			415,437
2.	January	38,031	18,300	435,168
3.	February	30,995	26,275	439,888
4.	March	29,397	52,657	416,628
5.	April	21,975	45,665	392,938
6.	May	23,535	48,195	368,278
7.	June	19,370	55,940	331,708
8.	July	15,950	25,975	321,683
9.	August	25,980	21,715	325,948
10.	September	38,110	36,470	327,588
11.	October	64,847	15,315	377,120
12.	November	64,453	28,412	413,161
13.	December	27,561	60,075	380,647
14.	Total (L1 through L13)	400,204	434,994	4,946,190
15.	Average balance (L14 ~ 13)	30,785	33,461	380,476
16.	Amount of deposits received during 1995	400,204		
17.	Amount of deposits refunded during 1995		434,994	
18.	Number of deposits on hand end of 1995			3,459
19.	Average amount of deposit (L15, Col. (d) ~ L18)			110
20.	Interest paid during 1995			26,100

AG-20-b - 1996				
Delta Natural Gas Company, Inc.				
CASE NO. 99-176				
Summary of Customer Deposits				
1996				
Line	Month	Receipts	Refunds	Balance
No.	(a)	(b)	(c)	(d)
1.	Balance Beginning of 1996			380,647
2.	January	27,585	18,352	389,880
3.	February	28,427	17,053	401,253
4.	March	28,810	55,221	374,842
5.	April	24,286	33,766	365,362
6.	May	23,248	47,083	341,527
7.	June	18,924	56,205	304,246
8.	July	19,950	26,935	297,261
9.	August	26,990	22,500	301,751
10.	September	33,190	32,898	302,042
11.	October	78,145	14,758	365,430
12.	November	62,944	22,985	405,388
13.	December	29,143	53,285	381,246
14.	Total (L1 through L13)	401,640	401,041	4,610,874
15.	Average balance (L14 ~ 13)	30,895	30,849	354,683
16.	Amount of deposits received during 1996	401,640		
17.	Amount of deposits refunded during 1996		401,041	
18.	Number of deposits on hand end of 1996			3,224
19.	Average amount of deposit (L15, Col. (d) ~ L18)			110
20.	Interest paid during 1996			24,062

AG-20-b - 1997				
Delta Natural Gas Company, Inc.				
CASE NO. 99-176				
Summary of Customer Deposits				
1997				
Line No.	Month (a)	Receipts (b)	Refunds (c)	Balance (d)
1.	Balance Beginning of 1997			381,246
2.	January	36,525	19,318	398,454
3.	February	21,068	9,670	409,852
4.	March	15,455	24,059	401,247
5.	April	18,494	28,829	390,913
6.	May	18,275	29,501	379,686
7.	June	15,545	26,670	368,561
8.	July	12,133	20,592	360,102
9.	August	23,690	13,235	370,557
10.	September	30,481	8,880	392,158
11.	October	64,180	12,650	443,688
12.	November	50,852	9,340	485,200
13.	December	29,970	16,604	498,566
14.	Total (L1 through L13)	336,667	219,347	5,280,230
15.	Average balance (L14 ~ 13)	25,897	16,873	406,172
16.	Amount of deposits received during 1997	336,667		
17.	Amount of deposits refunded during 1997		219,347	
18.	Number of deposits on hand end of 1997			3,692
19.	Average amount of deposit (L15, Col. (d) ~ L18)			110
20.	Interest paid during 1997			13,161

AG-20-b - 1999				
Delta Natural Gas Company, Inc.				
CASE NO. 99-176				
Summary of Customer Deposits				
1999				
Line	Month	Receipts	Refunds	Balance
No.	(a)	(b)	(c)	(d)
1.	Balance Beginning of 1999			594,863
2.	January	28,469	17,850	605,483
3.	February	29,975	18,972	616,487
4.	March	24,144	30,628	610,003
5.	April	18,051	46,298	581,755
6.	May	12,749	49,181	545,324
7.	June	15,847	36,908	524,263
8.	July	12,865	21,620	515,508
9.				
10.				
11.				
12.				
13.				
14.	Total (L1 through L13)	142,100	221,455	4,593,687
15.	Average balance (L14 ~ 13)	10,931	17,035	353,361
16.	Amount of deposits received during 1999	142,100		
17.	Amount of deposits refunded during 1999		221,455	
18.	Number of deposits on hand end July 1999			3,212
19.	Average amount of deposit (L15, Col. (d) ~ L18)			110
20.	Interest paid during 1999			15,908

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

21. With regard to Customer Advances for Construction which the Company has treated as a rate base deduction in this case, please provide the following information:
- a. Describe the Customer Advances for Construction receipt and refund policy used by the Company.
 - b. Provide the actual monthly Customer Advances for Construction customer balances for 1998 and 1999 through July or the most recent month for which actual data are available in the same format as shown for Customer Deposits on Item 12n, page 4 of 6, i.e., showing actual monthly receipts, refunds, and the net cumulative balances.

RESPONSE:

- a. Delta will extend natural gas main facilities within normal construction conditions to a customer beyond the standard extension criteria utilizing a prepayment agreement. The customer must deposit with Delta the construction cost of \$7.00 per foot for main beyond the initial 200-foot extension criteria that is provided at no cost. Prepayment deposits are held by the Company for a period of 10 years unless another customer should connect to the portion of the line in which the customer has made a deposit. Customer refunds are administered at \$1,400 per new customer not to exceed the amount of the prepayment deposit. Refunds are not available to the customer beyond the expiration of the Prepayment Agreement.
- b. See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.

Case No. 99-176

Actual Monthly Customer Advances for Construction Customer Balances

Line No.	Month	Receipts	Refunds	Balance
1	Balance Beginning of test year			(3,027,045)
2	1st Month	(70,000)	0	(3,097,045)
3	2nd Month	0	0	(3,097,045)
4	3rd Month	0	0	(3,097,045)
5	4th Month	(28,000)	800	(3,124,245)
6	5th Month	(67,200)	0	(3,191,445)
7	6th Month	(10,745)	308,780	(2,893,410)
8	7th Month	(54,880)	0	(2,948,290)
9	8th Month	(299,460)	0	(3,247,750)
10	9th Month	0	600	(3,247,150)
11	10th Month	0	0	(3,247,150)
12	11th Month	(130,200)	0	(3,377,350)
13	12th Month	(14,000)	0	(3,391,350)
	Total	(674,485)	310,180	
14	1st Month (1999)	(186,200)	4,300	(3,573,250)
15	2nd Month	0	0	(3,573,250)
16	3rd Month	(61,600)	0	(3,634,850)
17	4th Month	(30,800)	1,000	(3,664,650)
18	5th Month	(275,800)	0	(3,940,450)
19	6th Month	(19,600)	0	(3,960,050)
	Total	(574,000)	5,300	

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

22. With regard to the monthly balance of \$126,000 for Medical Self Insured and of \$25,000 for Other Self Insured, please provide the following information:
- a. Provide the monthly balances for both of these accounts for 1995, 1996, 1997 and 1999 through the most recent actual month available.
 - b. Explain the reasons and purposes of these two reserve accounts.
 - c. Have these accrued balances been funded with above-the-line expense accruals?
 - d. What were the dollar amounts of the expense accruals to fund these self insurance reserves that were included as above-the-line expenses in the Company's prior rate case?

What are the dollar amounts of the expense accruals to fund these self insurance reserves that are included as above-the-line expenses in the Company's current rate case? In addition, describe in which expense account these accruals are recorded.

RESPONSE:

See Attached

WITNESS:

John Brown

1 Item 22a

2 In accordance with generally accepted accounting principles, an accrual has been
3 established to approximate the expenses incurred but not paid at any given time. The
4 \$126,000 accrual for Medical Self Insured was established at 6/30/94. The \$25,000
5 accrual for Other Self Insured was established 6/30/92.

6

7 Item 22b

8 Delta is self insured for employees' health insurance purposes; therefore, the Medical Self
9 Insured is set up to cover any possible expenses. Delta carries only liability insurance on
10 automobiles and pays deductibles on most all of its other insurance policies. The \$25,000
11 is designed to cover any outstanding liability at any given point in time related to this
12 exposure.

13

14 Item 22c

15 These accrued balances have not been funded with above-the-line expense accruals.

16

17 Item 22d

18 There was no expense accruals to fund these self insurance reserves in the prior rate
19 case.

20

21 Item 22e

22 There is no above-the-line expense accruals to fund these self insurance reserves in the
23 current rate case.

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

23. Please provide all amortization expenses included in the 1998 test year "above-the-line" operating results. In addition, for each amortization expense, provide the following information:
- a. Approved or not approved for rate making purposes through prior PSC rulings.
 - b. Amortization period and whether this period was approved by the PSC.
 - c. Annual amortization amount
 - d. Original amortization starting date and amortization expiration date.

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.
CASE NUMBER 99-176
12 Mos ended 12/31/98

- 1 a. Approved
- 2
- 3 b. Approved
- 4
- 5 c. \$149,332
- 6
- 7 d.
- 8
- 9
- 10 **1.181.03 – Unamortized Debt Expense – Debenture Due 10/23**
- 11
- 12 Started 1993; Amortized until expiration of debenture
- 13
- 14 **1.181.04 – Unamortized Debt Expense – Debenture Due 4/11**
- 15
- 16 Started 1991; Expired 1998
- 17
- 18 **1.181.05 – Unamortized Debt Expense – Debenture Due 7/26**
- 19
- 20 Started 1996; Amortized until expiration of debenture
- 21
- 22 **1.181.06 – Unamortized Debt Expense – Debenture Due 04/18**
- 23
- 24 Started 1998; Amortized until expiration of debenture
- 25
- 26
- 27

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

24. Identify any information, as soon as it known, which would have a material effect on net operating income, rate base and cost of capital, which occurred after the preparation of Delta's filing and was not incorporated in the filed testimony, exhibits and filing requirements.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.

Contingencies

Case No. 99-176

AG - 24

If any additional information which would have a material effect on net operating income, rate base and cost of capital becomes known, such will be supplied to all parties of record.

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

25. Please provide a listing (including associated dollar amounts) of all expenses and taxes other than income tax items that were booked in the 1998 test year but relate to prior periods. In addition, provide a brief description of each of such identified items.

RESPONSE:

See Attached

WITNESS:

John Brown

Date: 8/16/99

Item 25
Page 1 of 1

DELTA NATURAL GAS COMPANY, INC.
CASE NUMBER 99-176
12 Mos ended 12/31/98

- 1 Delta books all expenses and taxes other than income tax items on the accrual basis. Therefore,
- 2 items were not booked in the 1998 test year which relate to prior periods.
- 3

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

26. Please provide a listing (including associated dollar amounts) of all expenses and taxes other than income tax items booked in the 1998 test year that represent abnormal bookings that are not typically booked on an annual recurring basis. In addition, provide a brief description of each of such identified items.

RESPONSE:

See Attached

WITNESS:

John Brown

Date: 8/16/99

Item 26
Page 1 of 1

DELTA NATURAL GAS COMPANY, INC.
CASE NUMBER 99-176
12 Mos ended 12/31/98

1 The only abnormal booking for the test year, 1998, was Delta's settlement of \$27,631 in a sales
2 tax audit.

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

27. Please provide all non'-recurring start-up expenses booked during 1998 associated with the implementation of major new programs. In addition, provide a brief description of each of such identified. items.

RESPONSE:

See Attached

WITNESS:

John Brown

Date: 8/16/99

Item 27
Page 1 of 1

DELTA NATURAL GAS COMPANY, INC.
CASE NUMBER 99-176
12 Mos ended 12/31/98

- 1 Delta did not implement any major new programs during 1998 that required non-recurring start-up
- 2 expenses. Delta's projects during the year were plant related, for which the costs are capitalized.

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

28. Please provide a schedule showing all expenses, by expense type and in total, that were booked during the test year that directly or indirectly related to the implementation of the Y2K compliance and compliance testing. In addition, provide a description what activities and programs the Company has performed regarding Y2K compliance, when these activities started, when they are anticipated to end, and what specific portion of these activities were performed in 1998.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.
Y2K Related Expenses and Progress
AG - 28
Case No. 99-176

1. Delta paid \$1,335 for Year 2000 Inventory Training given by Arthur Andersen.
2. Delta paid its legal counsel, Stoll Keenon & Park LLP, \$3,014 for legal consultation regarding Y2K.
3. The total amount Delta has paid for Y2K related items and/or services is \$4,349. The legal counsel and inventory training are the only Y2K related expenses incurred during the test year.
4. For information on Delta's Y2K progress, see the attached Y2K Readiness Disclosure.
5. As of December 31, 1998, Delta had assessed approximately 80% of its inventoried items, systems and service providers. This assessment percentage for the items Delta deemed as "critical" stood at 82%.



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

Phone: 606-744-6171
Fax: 606-744-3623

August 13, 1999

Attorney General
RE: AG - 28

Year 2000 Readiness Disclosure

Dear Attorney General:

We are in receipt of your recent request regarding Delta Natural Gas Company's efforts to become Y2K compliant. We share your concern with respect to the importance of Y2K compliance. In fact, we have devoted a significant amount of time and resources to this issue.

The Company is working to determine the potential impact of the Year 2000 on the ability of Delta's computerized information systems to accurately process information that may be date-sensitive. Any of Delta's programs that recognize a date using "00" as the Year 1900 rather than the Year 2000 could result in errors or system failures. The Company uses a number of computer programs across its entire operation.

In recent years, Delta has replaced virtually all of its financial computer systems (both hardware and software) with systems from third party vendors who certify their products as being Year 2000 compliant.

The Company has established a Year 2000 committee, comprised of members of management, which has coordinated an extensive inventory of all operational systems, including information technology (IT) hardware and software, as well as non-IT embedded systems such as process controls for gas delivery and metering systems and service providers.

The Committee is assessing the likelihood of miscalculations or system failures as a result of these items, systems or service providers. The Company has currently assessed approximately 97% of these inventoried items, systems and service providers. This assessment percentage for the items Delta deems as "critical" stands at 98%. Delta has been diligently working to insure that critical or otherwise important items assessed as certain to fail are either repaired or replaced so as not to cause business interruption or data integrity problems on January 1, 2000.

The costs incurred to date related to its Year 2000 activities have not been material to the Company, and based upon current estimates, the Company does not believe that the total cost of its Year 2000 readiness programs will have a material adverse impact on the Company's results of operations or financial position.

Re: AG 28
August 13, 1999
Page 2

Like most businesses, the Company relies upon various suppliers and vendors in order to provide services and supplies to its customers. Delta understands that even though it is taking steps to prepare it could, nevertheless, be adversely affected by the failures and/or delays caused by any non-compliant equipment used by its suppliers or vendors. Therefore, Delta is currently gathering information regarding the steps its "mission-critical" suppliers and vendors are taking to become Year 2000 compliant. For instance, Delta has sent each of these parties a letter inquiring about the nature and extent of their efforts.

Although the Company intends to complete all Year 2000 remediation and testing activities by the end of the third quarter of 1999, and although the Company has initiated Year 2000 communications with significant customers, key vendors, service suppliers and other parties material to the Company's operations and is diligently monitoring the progress of such third parties in Year 2000 compliance, such third parties nonetheless represent a risk that cannot be assessed with precision or controlled with certainty.

The major applications which pose the greatest Year 2000 risks for the Company if implementation of the Year 2000 compliance program is not successful are the gas delivery, metering and billing systems. Potential problems related to these systems include service interruptions to customers, interrupted revenue data gathering and poor customer relations resulting from delayed billing.

The Company has drafted contingency plans to address alternatives in the event that Year 2000 failures of automatic systems and equipment occur. These plans cover a wide range of possible scenarios and include steps to remediation. Also, included in the contingency plans are mitigating actions designed to lessen the chances of problem scenarios being realized. A final contingency plan is scheduled for completion by mid-year 1999.

Nothing herein is intended to be, nor should anything herein be interpreted as, a warranty or a representation that our equipment and/or the equipment of our various suppliers or vendors will not, to some degree, be adversely affected by date-sensitive materials. Rather, this letter is merely intended to inform you that we are vigorously working to avoid any such things from occurring and to update you on the current status of our progress. This letter, as well as updates on our progress, can be viewed on www.deltagas.com.

Thank you for your concern and attention to this important issue. If you have any further questions or inquiries, please do not hesitate to contact John Brown at the above address or at (606) 744-6171.

Very truly yours,

John B. Brown
Controller

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

29. The Company's proposed income taxes (prior to the rate increase request) of \$1,596,449 were based on an interest expense deduction amount of \$3,114,019, as shown on FR 7(a). Please provide a schedule showing how this amount of \$3,114,019 was derived and what the basis for it is.

RESPONSE:

See Item 25, WP 9-1 in Delta's filing dated July 2, 1999

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

30. Page 114 of the 1998 FERC Form 2, shows that the Company, as an "Option 2" company, can reduce its annual income taxes by \$70,950 for the amortization of the Investment Tax Credit. The PSC adopted this tax expense credit of approximately \$71,000 in the prior case. Please explain why the Company in the current case has again failed to reflect this income tax credit of \$70,950.

RESPONSE:

I agree. The Income Tax Adjustment should reflect ITC Amortization.

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

31. In response to data request AG 2-8 in the prior rate case, the Company confirmed that the annual amortization of its excess deferred taxes due-to the FIT income tax rate change from 46% to 35% is \$20,400 based on a 45-year amortization of the original excess deferred tax amount of \$915,200. The AG in that case recommended amortizing this excess deferred tax amount over 35 years for an annual excess deferred tax credit of \$26,150. This was adopted by the PSC in determining the Company's revenue requirement in the prior case. In this regard, provide the following information:
- a. Confirm the above statements. If you do not agree, explain your disagreement in detail.
 - b. Confirm your agreement based on the PSC's adopted ratemaking treatment for this excess deferred tax amortization in the Company's prior case, it would be appropriate to reflect a similar tax credit of \$26,150 for this excess deferred tax amortization in the current case. If you do not agree, explain your disagreement in detail.

RESPONSE:

- a. I agree
- b. I agree

WITNESS:

John Brown

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

32. Please reconcile the 1998 total direct payroll costs of \$6,251,888 with the total salaries and wages for 1998 of \$6,125,333 on page 355 of the 1998 FERC Form 2.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Reconciliation of Direct Payroll Costs with Total Salaries and Wages
Case No. 99-176

Item 32

Line No.

1	Direct Payroll Costs	6,251,888.00
2	Stock	(55,924.00)
3	Transportation	(45,114.00)
4	Sick Pay	(31,113.00)
5	Workman's Compensation	4,094.00
6	Benefits Not Earned	<u>1,510.00</u>
7		6,125,341.00
8	1998 FERC Form 2	<u>6,125,333.00</u>
9	Difference due to rounding	8.00

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

33. With regard to the pro forma payroll tax increase of \$8,937 on Schedule 6, provide the following information:
- a. Isn't it true that a portion of this tax increase is not charged to O&M expense but, rather, is allocated to construction, merchandising and subsidiaries through A/C 1.922 "Expenses Transferred"? If you do not agree, explain your disagreement in detail.
 - b. What is the appropriate approximate percentage of the payroll taxes that is charged to construction, merchandising and subsidiaries? Would this be equal to the labor percentage for 1998 of 26% as can be calculated from page 355 of the 1998 FERC Form 2 ($(\$1,576,796 + \$16,818) / \$6,125,333$)? If not, explain why not.

RESPONSE:

- a. This is correct.
- b. This is correct.

Sponsoring Witness:

John Brown

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

34. The response to Staff Item 34 shows the number of employees on the Company's payroll at the end of the year for 1993 through 1998. In this regard, provide the following information:
- a. For 1997 and 1998 and the 7-month period ended July 31, 1999, provide the actual monthly total number of employees and the resultant average number of employees during 1997, 1998 and the 7-month period ended July 31, 1999.
 - b. The budgeted total number of employees for the remainder of 1999.

RESPONSE:

- a. See Attached
- b. The budgeted total number of employees for the remainder of 1999 is 185.

Sponsoring Witness:

John Brown

Line No.	Payroll Period	# of Employees
1	01/15/97	181
2	01/31/97	180
3	02/15/97	180
4	02/28/97	180
5	03/15/97	180
6	03/31/97	182
7	04/15/97	182
8	04/30/97	183
9	05/15/97	183
10	05/31/97	181
11	06/15/97	180
12	06/30/97	180
13	07/15/97	181
14	07/31/97	181
15	08/15/97	181
16	08/31/97	180
17	09/15/97	181
18	09/30/97	181
19	10/15/97	182
20	10/31/97	182
21	11/15/97	181
22	11/30/97	181
23	12/15/97	181
24	12/31/97	181
25	Avg # of Employees	181
26	1/15/98	181
27	1/31/98	180
28	2/15/98	179
29	2/28/98	178
30	3/15/98	178
31	3/31/98	179
32	4/15/98	179
33	4/30/98	179
34	5/15/98	179
35	5/31/98	180
36	6/15/98	181
37	6/30/98	181
38	7/15/98	182
39	7/31/98	183
40	8/15/98	182
41	8/31/98	183
42	9/15/98	182
43	9/30/98	182
44	10/15/98	182
45	10/31/98	181
46	11/15/98	181
47	11/30/98	181
48	12/15/98	182
49	12/31/98	182
50	Avg # of Employees	181

Line No.	<u>Payroll Period</u>	<u># of Employees</u>
51	1/15/99	182
52	1/31/99	182
53	2/15/99	183
54	2/28/99	182
55	3/15/99	183
56	3/31/99	183
57	4/15/99	183
58	4/30/99	183
59	5/15/99	183
60	5/31/99	183
61	6/15/99	183
62	6/30/99	183
63	7/15/99	182
64	7/31/99	183
65	Avg # of Employees	183

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

35. Please provide page 355 (distribution of salaries and wages) from the 1997 FERC Form 2.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Name of Respondent		This Report Is:	Date of Report	Year of Report
DELTA NATURAL GAS COMPANY, INC		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/98	Dec. 31, 19_97
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
Gas (Continued)				
48	Total Operation and Maintenance			
49	Production—Manufactured Gas (Lines 28 and 40)			
50	Production—Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)	67,163		
51	Other Gas Supply (Lines 30 and 42)			
52	Storage, LNG Terminating and Processing (Lines 31 and 43)	38,523		
53	Transmission (Lines 32 and 44)			
54	Distribution (Lines 33 and 45)	2,768,070		
55	Customer Accounts (Line 34)	544,964		
56	Customer Service and Informational (Line 35)			
57	Sales (Line 36)			
58	Administrative and General (Lines 37 and 46)	1,913,447		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	5,332,167	(820,000)	4,512,167
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)			
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	964,753	814,000	1,778,753
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	964,753	814,000	1,778,753
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)			
74	Other Accounts (Specify):			
75				
76	Merchandising	3,327		3,327
77				
78	Subsidiaries	12,488	6,000	18,488
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	15,815	6,000	21,815
96	TOTAL SALARIES AND WAGES	6,312,735	-0-	6,312,735

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

36. Considering page 355 from the 1998 FERC Form 2, explain what the total salaries and wages charged to O&M are. Are they the amount of \$5,346,719 (before allocation of clearing accounts) or are they the amount of \$4,531,719 (after the allocation of clearing accounts)?

RESPONSE:

The total salaries and wages charged to O & M are \$4,531,719.

Sponsoring Witness:

John Brown

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

37. Footnote (1) of page 1 of 2 of PSC request Item 40 indicates that the total compensation for Mr. Jennings that are included in the 1998 test year above-the-line expenses include the same \$24,000 of loan forgiveness expenses that were disallowed for ratemaking purposes by the PSC in the prior rate case, Case No. 97-066. Please confirm this. If this is not correct, explain the correct meaning of footnote (1).

RESPONSE:

Mr. Jennings' compensation does include the \$2,000 per month loan forgiveness.

Sponsoring Witness:

John F. Hall

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

38. For each person listed on page 1 of 2 of PSC request Item 40, provide a breakout and description of the specific components making up the 1998 "Other Compensation" amounts shown in the second column.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
1998 Other Compensation
Case No. 99-176

Item 38

<u>Line No.</u>	<u>Name of Officer</u>	<u>Other Compensation</u>	<u>Specific Components</u>
1	Glenn Jennings	24,000.00	Loan Forgiveness
2		<u>1,496.00</u>	Stock (Company Matching Portion)
3		25,496.00	
4	Alan Heath	985.60	Stock (Company Matching Portion)
5	John F. Hall	862.40	Stock (Company Matching Portion)
6	Robert Hazelrigg	704.00	Stock (Company Matching Portion)
7	Johnny Caudill	862.40	Stock (Company Matching Portion)

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

39. Please provide a detailed breakout showing all of the components and associated dollar amounts for the (\$4,159,439) amount in A/C 1.922 Expenses Transferred.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176

AG Item 39

Line #	Expenses Transferred		
1	Canada Mountain (A/C 922.01)		
2			
3			
4	Return on equity	591,468	
5	Short-term debt	61,973	
6	Long-term debt	571,370	
7	Depreciation expense	273,757	
8	Property tax expense	50,213	
9	Storage rental expense	50,004	
10	Interest expense	96,917	
11	Payroll expense	37,723	
12	Other	26,074	
13	Income tax expense	386,059	
14	Unrecovered costs--Case 98-055	<u>(32,696)</u>	
15			2,112,862
16			
17			
18	A&G Costs (A/C 922)		
19			
20	Administrative payroll, benefits and other A&G costs to construction	1,479,491	
21			
22	Clearing of benefits, liability insurance and payroll taxes for field personnel to construction	556,286	
23			
24	Costs transferred to subs	<u>10,800</u>	
25			<u>2,046,577</u>
26			
27			<u>4,159,439</u>

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

40. Provide a summary description and copy of all incentive compensation programs, bonus programs, and other similar programs currently in effect for Delta's top management and other employees.

In addition, provide a schedule showing the amounts of such incentive compensation expenses booked by the Company during the 1998 test year, 1997 and 1996. Also, indicate in which account (number and description) these incentive compensation expenses are recorded.

RESPONSE:

Delta has no such programs.

There were no amounts recorded during the test year nor the previous year. In 1996, bonuses were paid based upon final audited results at 6/30/96. Such amounts were set forth in Delta's last rate case, No. 97-066, to which the AG was a party and Delta refers the AG to the record in that case. As the AG can see, Delta voluntarily removed such amounts from the requested expenses in the last rate case.

Attached is Delta's Response to this question from Case 97-066. It is still applicable.

WITNESS: Glenn R. Jennings

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION
DATED MAY 2, 1997

68. Provide a management summary description and a copy of all incentive compensation programs, bonus programs, and other similar programs currently in effect for Delta's top management and other employees.

RESPONSE:

There are no incentive or bonus plans in effect. The management audit recommended that Delta consider a merit pay system and that Delta increase the emphasis on corporate and individual performance when determining executive compensation. Delta changed its employee evaluation process several years ago so that employees have goals and are evaluated for wage increases and cash incentives based upon their overall performance as well as how well they met their particular goals. Each year since 1992 Delta has considered additional cash payments to all employees based upon Delta's final audited financial results. If results allow additional cash compensation to be paid, then amounts are provided to all employees. This considers their individual performance as well, and not all employees receive the same amount or percentage.

This has been done on a year to year basis, and in some years amounts have been less than in others. Sometimes nothing is provided if overall financial results do not allow it. This is not a plan, merely guidelines that are considered on a year-to-year basis for all employees.

It is for this reason that Delta removed these payments from the test year in this rate case. Based upon Delta's financial results so far this fiscal year, incentive compensation will not be likely. In fact, the company probably will not earn its dividend this year and if that is the case then no additional compensation will even be considered at all. Thus Delta removed any such payments from consideration in the case.

Sponsoring Witness:

Glenn Jennings

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

41. Please provide the most recent executive compensation studies performed by or for Delta which would show that the total compensation paid by Delta to its executive officers is reasonable and comparable to the compensation levels paid to executives in comparable sized companies in comparable industries. Also specify the time period of the study period.

RESPONSE:

See attached study, which indicates that Delta's compensation is unreasonably low and not comparable since other companies' compensation is much higher.

WITNESS: Glenn R. Jennings

August 5, 1999

Mr. Glenn R. Jennings
President and Chief Executive Officer
Delta Natural Gas Company
3617 Lexington Road
Winchester, Kentucky 40391

Dear Mr. Jennings:

Stone & Webster Management Consultants, Inc. has completed a survey of total cash compensation for the position of Chief Executive Officer in ten small gas companies. Exhibit 1 shows the survey companies along with their state locations and size in terms of total capitalization. Delta Natural Gas is at the median size of the survey group with five companies larger and five smaller.

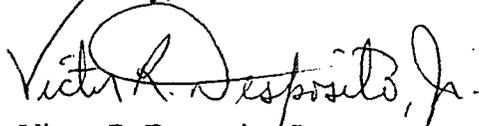
The survey results are shown on Exhibit 2. It contains all the elements of total annual cash compensation including base annual salary, annual bonus, long-term awards, company contributions to 401K plans, and other cash compensation. The key comparison measure is total annual compensation which had a median value of \$279,700 for the survey group compared to \$187,700 for Delta. As a result, we believe the total cash compensation for Delta's CEO is not competitive with pay practices in the small gas company sector.

Another perspective is to compare Delta with Berkshire Energy Resources which is slightly smaller than Delta but closest in total capitalization. The CEO at Berkshire received \$235,600 in total compensation, which is 25% more than Delta.

Finally, we note the relationship of total compensation to total capitalization expressed as a percentage. At Delta, the relationship is 0.234%, which is nearly 30% below the survey median.

We would be pleased to discuss our survey with you and answer any questions you may have.

Yours truly,



Victor R. Desposito, Jr.
Vice President

**DELTA NATURAL GAS COMPANY
EXECUTIVE COMPENSATION SURVEY
COMPARISON COMPANIES**

Company Name	State Location	Total Capitalization \$000
North Carolina Natural Gas	North Carolina	\$185,190
Providence Energy Corporation	Rhode Island	\$173,117
EnergySouth, Inc.	Alabama	\$123,432
EnergyNorth, Inc.	New Hampshire	\$104,655
Chesapeake Utilities	Delaware	\$93,953
Berkshire Energy Resources	Massachusetts	\$77,777
Valley Resources, Inc.	Rhode Island	\$69,174
Fall River Gas Company	Massachusetts	\$37,309
Energy West	Montana	\$29,387
Corning Natural Gas Corp.	New York	\$17,328
MEDIAN SIZE		\$85,865
Delta Natural Gas Company	Kentucky	\$80,110

**DELTA NATURAL GAS COMPANY
EXECUTIVE COMPENSATION SURVEY
SURVEY RESULTS - CHIEF EXECUTIVE OFFICER**

Company	Annual Salary ⁽¹⁾	Bonus	Long-Term Awards	401K Contribution	Other	Total Annual Compensation	Total Capitalization \$000	Total Compensation % of Total Capitalization
North Carolina Natural Gas	\$264,700	\$69,500	-	\$3,300	-	\$337,500	\$185,190	0.182%
Providence Energy Corp.	\$295,800	\$66,000	\$44,000 ⁽²⁾	\$4,900	\$7,300 ⁽³⁾	\$418,000	\$173,117	0.241%
EnergySouth, Inc.	\$236,000	\$70,000	\$3,700 ⁽⁴⁾	\$4,900	-	\$314,600	\$123,432	0.255%
EnergyNorth, Inc.	\$236,800	\$56,800	\$55,100 ⁽²⁾	\$5,200	\$2,400 ⁽³⁾	\$356,300	\$104,655	0.340%
Chesapeake Utilities	\$309,000	-	\$21,100 ⁽⁵⁾	\$9,600 ⁽⁶⁾	\$2,700 ⁽³⁾	\$342,400	\$93,953	0.364%
Berkshire Energy Resources	\$183,900	\$34,400	-	-	\$17,300 ⁽⁷⁾	\$235,600	\$77,777	0.303%
Valley Resources, Inc.	\$188,400	\$35,200	-	\$3,600	-	\$227,200	\$69,174	0.328%
Fall River Gas Co.	\$242,400	-	-	⁽⁸⁾	\$2,400 ⁽⁷⁾	\$244,800	\$37,309	0.656%
EnergyWest	\$113,300	\$40,600	10,000 ⁽⁹⁾	-	\$31,100 ⁽¹⁰⁾	\$185,000 ⁽¹¹⁾	\$29,387	0.630%
Corning Natural Gas Corp.	\$157,800	\$12,500	-	⁽⁸⁾	-	\$170,300	\$17,328	0.983%
MEDIAN VALUES	\$239,200	\$37,900	N/A	N/A	N/A	\$279,700	\$85,865	0.334%
Delta Natural Gas Co.	\$158,400	-	\$24,000 ⁽¹²⁾	\$3,800	\$1,500 ⁽¹³⁾	\$187,700	\$80,110	0.234%

⁽¹⁾ 1998 Salaries adjusted by 3.0% to estimate current salary levels.

⁽²⁾ Restricted stock award.

⁽³⁾ Life insurance premiums.

⁽⁴⁾ Incentive units granted.

⁽⁵⁾ Performance shares awarded.

⁽⁶⁾ Company contribution to retirement savings plan.

⁽⁷⁾ Director fees.

⁽⁸⁾ Included in annual salary.

⁽⁹⁾ Represents number of stock options and stock appreciation rights granted. Unable to estimate current value

⁽¹⁰⁾ Includes Company contributions to money purchase defined contribution plan, ESOP, cafeteria plan, and deferred compensation plan.

⁽¹¹⁾ Does not include estimate of current value for stock option and stock appreciation rights

⁽¹²⁾ Long-term loan forgiveness golden handcuff plan

⁽¹³⁾ Company contribution to employee stock purchase plan.

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

42. Please expand the response to AG request Item 65a in the prior rate case, by providing total payroll, incentive compensation, and other bonus compensation for years 1996, 1997 and 1998.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176
Compensation Associated With Incentive Program, Bonus Program, etc.

Item 42

Line No.		<u>1998</u>	<u>1997</u>	<u>1996</u>
1	Total Payroll	6,125,333	6,312,735	5,781,054
2	Incentive Compensation	-	-	378,146
3	Christmas Bonus	-	-	-

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

43. With regard to the actual 1998 total payroll amount of \$5,893,686 and the annualized payroll amount of \$6,009,885 shown on WP4-1, please provide the following information:
- a. Confirm that both amounts are total payroll amounts and not payroll amounts charged to O&M expense (i.e., both amounts still include payroll to be charged to construction, merchandising, and subsidiaries). If you do not agree, explain your disagreement in detail.
 - b. Provide workpapers showing all assumptions and calculations used to determine the annualized payroll amount number of \$6,009,885. In addition, indicate the number of employees underlying the annualized payroll amount number of \$6,009,885, as well as the basis for any assumed wage and salary increases built into the annualization adjustment calculations.
 - c. What represents the difference between the 1998 actual total payroll amount of \$5,893,686 and the total 1998 actual payroll amount of \$6,125,333 on page 355 of the FERC Form 2?
 - d. Given the facts stated in part a. above, isn't it true that the proposed pro forma payroll adjustment should be reduced to only reflect the portion of this payroll increase that will be charged to O&M expense? If you do not agree, explain your disagreement.

RESPONSE:

- a. This is correct.
- b. See attached.
- c. The difference between the 1998 actual payroll amount of \$5,893,686 and the total 1998 actual payroll amount of \$6,125,333 is the Overtime amount of \$167,766 and the Part-time amount of \$63,889.
- d. This is correct.

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176

Item 43 b

b.	12/31/98 Pay Period	261,442.23
	Overtime	(9,413.84)
	Part-time	<u>(1,616.50)</u>
		250,411.89
	# of pay periods	x <u>24</u>
	Annualized payroll	6,009,885.36

The number of employees underlying the annualized payroll number of \$6,009,885 is 182.

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

44. Please reconcile the total Salaries and Wages amounts for the years 1993 through 1998 to the total salaries and wages amounts for the corresponding years shown on page 355 of the Company's FERC Form 2.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176
Reconciliation of Total Salaries and Wages

Item 44

	1998	1997	1996	1995	1994	1993
Total Salaries & Wages	6,175,661	6,361,132	5,826,952	5,519,409	5,419,856	5,187,795
Stock	(55,924)	(50,786)	(50,921)	(50,169)	(70,802)	(46,479)
Workman's Comp	4,094	5,673	5,023	2,800	2,149	3,211
Benefits Not Earned	1,510	(3,284)		(8,871)		
Accrued Benefits				17,948	18,584	19,128
Christmas Bonus					354,752	298,217
Incentive Compensation				24,000	16,000	12,000
Loan Forgiveness				29,856	37,975	29,856
Vacation/Personal Accrual				2,500		26,500
Director's Bonus						
Compensation (Glenn)					703	
Lobbying Expense					7,500	
Accrual Entry Uncleared						
	<u>6,125,341</u>	<u>6,312,735</u>	<u>5,781,054</u>	<u>5,537,473</u>	<u>5,786,717</u>	<u>5,530,228</u>
FERC Form 2 amount shown	6,125,333	6,312,735	5,781,054	5,536,819	5,785,303	5,529,795
Unreconciled items	<u>8</u>	<u>0</u>	<u>0</u>	<u>654</u>	<u>1,414</u>	<u>433</u>

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

45. With regard to line 2 of Schedule 4, provide a detailed breakout (expense account, account description and account dollar amount) of the 4172,711 "Account Disallowed in Case No. 97-066".

RESPONSE:

See response No. 30 c to the PSC's data request dated August 11, 1999.

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

46. With regard to line 3 of Schedule 4, provide a detailed description (by Trial Balance account number and associated dollar amount) of all of the expense components included in the \$121,120 Canada Mountain expense removal adjustment.

RESPONSE:

See response No. 30 b to the PSC's data request dated August 11, 1999.

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

47. Please verify that all insurance expenses included in the adjusted 1998 test year results are exclusive of Canada Mountain related insurance. If not, identify the Canada Mountain related insurance amount that should be removed.

RESPONSE:

Insurance expenses were not exclusive of Canada Mountain related insurance. We feel that the following Canada Mountain related insurance amount should be removed.

$$\begin{array}{rcl} \text{Canada Mountain} & & \text{Total Plant} \\ \$13,580,916 & / & \$128,546,542 = 10.56\% \end{array}$$

$$\$241,644^* \times 10.56\% = \$25,518$$

*Includes --- General & Excess Liability, Property, Boiler & Machinery, and Operators Extra Expense

Sponsoring Witness:

John F. Hall

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

48. By the same expense categories as requested in PSC data request Item 48, provide the actual (out-of-pocket) rate case expenses incurred by Delta for the prior case, Case No. 97-066.

RESPONSE:

Consultants	\$ 59,764
Supplies	6,818
Legal	48,309
Newspaper advertising	<u>14,156</u>
	<u>\$129,047</u>

Sponsoring Witness:

John F. Hall

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

49. Please provide a breakdown of the expense components making up the Acct. 928
- regulatory commission expenses of \$104,940 for the 1998 test year.

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

Item 49

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

1	1/31/1998 DOT Pipeline Safety Program for 1998	20,870
2	1/31/1998 Prepayments write off for Ky State Treasurer	4,050
3	2/28/1998 Prepayments write off for Ky State Treasurer	4,050
4	3/31/1998 Prepayments write off for Ky State Treasurer	4,050
5	4/30/1998 Prepayments write off for Ky State Treasurer	4,050
6	5/31/1998 Prepayments write off for Ky State Treasurer	4,050
7	6/30/1998 Prepayments write off for Ky State Treasurer	4,050
8	7/31/1998 Prepayments write off for Ky State Treasurer	5,961
9	8/31/1998 Prepayments write off for Ky State Treasurer	5,970
10	9/30/1998 Prepayments write off for Ky State Treasurer	5,970
11	10/31/199 Prepayments write off for Ky State Treasurer	5,970
12	11/30/199 Prepayments write off for Ky State Treasurer	5,970
13	12/31/199 DOT Pipeline Safety Program for 1998	23,960
14	12/31/199 Prepayments write off for Ky State Treasurer	5,970
15	TOTAL ACCOUNT 1.928	104,940
16		
17		
18		
19		
20		
21		

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

50. Please provide a listing, associated dollar amounts and a description of all expenses incurred and/or proceeds received during 1998 relating to law suits, the settlement of law suits or other legal action and indicate in which account(s) these expenses and/or proceeds were recorded. In addition, indicate to what extent these expenses and/or proceeds have been incorporated into the above-the-line operating results for the test year.

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

Item 50

LINE NO.

1 Merit Energy is the only lawsuit, and settlement is pending. There are no proceeds from any lawsuits.
 2 All expenses in a/c 1.923.01 are for legal consulting and are above the line operating expense.

LINE NO.	AC #	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	AMOUNT
5	1923010000000000	1998-06-30	146341	111	ARVIN, WILLIAM MILES	RETAINER FEE	180.00
6	1923010000000000	1998-04-30	144082	3307	COY GILBERT & GILBERT	LEGAL- RIGHT OF WAY CONSULTING	1,000.00
7	1923010000000000	1998-09-22	148469	3307	COY GILBERT & GILBERT	LEGAL- RIGHT OF WAY CONSULTING	289.40
8	1923010000000000	1998-12-31	151992	3307	COY GILBERT & GILBERT	LEGAL- RIGHT OF WAY CONSULTING	206.25
9	1923010000000000	1998-04-29	143959	2825	CUBBAGE JR., BENJAMIN C	KRS 382.335	150.00
10	1923010000000000	1998-06-30	146402	958	FULBRIGHT & JAWORSKI	FERC	174.70
11	1923010000000000	1998-10-31	149750	958	FULBRIGHT & JAWORSKI	FERC	406.25
12	1923010000000000	1998-06-30	146058	2334	STOLL KEENON & PARK LLP	CIRCLE R CORP	1,271.80
13	1923010000000000	1998-02-26	142401	2334	STOLL KEENON & PARK LLP	CUMB HARLAN EXP	2.10
14	1923010000000000	1998-01-22	141513	2334	STOLL KEENON & PARK LLP	DJM JOINT VENTURE	84.00
15	1923010000000000	1998-02-26	142401	2334	STOLL KEENON & PARK LLP	DJM JOINT VENTURE	4.00
16	1923010000000000	1998-03-27	143143	2334	STOLL KEENON & PARK LLP	EMPLOYEE BENEFITS	88.10
17	1923010000000000	1998-08-31	148025	2334	STOLL KEENON & PARK LLP	EMPLOYEE BENEFITS	286.79
18	1923010000000000	1998-07-31	147008	2334	STOLL KEENON & PARK LLP	FINANCING	60.00
19	1923010000000000	1998-01-22	141513	2334	STOLL KEENON & PARK LLP	GENERAL	6,539.16
20	1923010000000000	1998-02-26	142401	2334	STOLL KEENON & PARK LLP	GENERAL	2,083.30
21	1923010000000000	1998-03-27	143143	2334	STOLL KEENON & PARK LLP	GENERAL	4,635.77
22	1923010000000000	1998-05-31	145147	2334	STOLL KEENON & PARK LLP	GENERAL	5,416.92
23	1923010000000000	1998-06-30	146058	2334	STOLL KEENON & PARK LLP	GENERAL	3,104.14
24	1923010000000000	1998-08-31	148025	2334	STOLL KEENON & PARK LLP	GENERAL	1,740.15
25	1923010000000000	1998-09-24	148554	2334	STOLL KEENON & PARK LLP	GENERAL	2,252.95
26	1923010000000000	1998-10-31	149868	2334	STOLL KEENON & PARK LLP	GENERAL	2,277.90
27	1923010000000000	1998-11-30	150529	2334	STOLL KEENON & PARK LLP	GENERAL	5,909.78
28	1923010000000000	1998-07-31	147008	2334	STOLL KEENON & PARK LLP	GENERAL	6,552.79
29	1923010000000000	1998-01-22	141513	2334	STOLL KEENON & PARK LLP	GENERAL	1,506.96
30	1923010000000000	1998-02-26	142401	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	462.00
31	1923010000000000	1998-03-27	143143	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	329.70
32	1923010000000000	1998-04-23	143899	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	48.90
33	1923010000000000	1998-05-31	145147	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	80.00
34	1923010000000000	1998-06-30	146058	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	594.40
35	1923010000000000	1998-07-31	147008	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	64.00
36	1923010000000000	1998-08-31	148025	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	400.90
37	1923010000000000	1998-09-22	148469	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	197.30
38	1923010000000000	1998-10-31	149868	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	1,768.04
39	1923010000000000	1998-11-30	150529	2334	STOLL KEENON & PARK LLP	MERIT ENERGY	208.00
40	1923010000000000	1998-09-24	148554	2334	STOLL KEENON & PARK LLP	PURCHASE MT. OLIVET GAS	482.40
41						TOTAL	50,858.85
42						TOTAL	22,266.78
43						TOTAL A/C 1.923.01	25.63

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

51. Please provide the actual nine 1.926 Employee Pension and Benefits Trial Balance accounts for 1997.

RESPONSE:

See attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176
Employee Pension and Benefit Accounts

Item 51

<u>Line No.</u>	<u>Acct #</u>	<u>Description</u>	<u>Calendar 1997</u>
1	1.926.01	Time Off Payroll	457,713
2	1.926.02	Pension	327,437
3	1.926.03	Employee 401K Plan	140,064
4	1.926.04	Medical Coverage	889,796
5	1.926.05	Salary Continuation Coverage	101,719
6	1.926.06	Employee Stock Plan	53,601
7	1.926.07	Employee Education	2,198
8	1.926.08	Employee Recreation & Social	6,926
9	1.926.09	House Trailers	2,291

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

52. Please provide a description and the associated dollar amounts of all expenses booked in 1998 (show account numbers) relating to:

- employee gifts and award banquets
- social events and parties
- sports leagues
- fines and penalties

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
For the 12 Months Ended 12-31-98

Line No. 1 Employee gifts and award banquets
2 Account # 1.930.05 - Company Relations

3	AC#	DATE	CHECK #	VENDOR	VENDOR#	AMOUNT	DESCRIPTION
4	193005000000000	1998-01-09	140885	BACKS FLORIST	162	\$40.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
5	193005000000000	1998-01-20	141286	BALLOONS UNLIMITED	0	\$31.90	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
6	193005000000000	1998-01-31	141898	DELTA NATURAL GAS - 11	643	\$24.50	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
7	193005000000000	1998-01-31	141781	KNOX FLORIST	1402	\$40.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
8	193005000000000	1998-02-17	142262	NATIONAL CITY	3334	\$35.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
9	193005000000000	1998-02-28	142467	FOLEY'S FLORIST & GIFTS	0	\$35.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
10	193005000000000	1998-02-28	142771	NATIONAL CITY	3334	\$44.52	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
11	193005000000000	1998-03-17	142826	DEBBIE'S FLOWERS AND GIFTS	3477	\$42.40	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
12	193005000000000	1998-03-20	142933	SHELBY, GRAHAM	3509	\$500.00	DELTA STORY HISTORY BOOKLETS
13	193005000000000	1998-03-31	143864	CHAPMAN PRINTING COMPANY INC, T	497	\$1,295.00	PRINTING DELTA NEWSLETTER - SPRING
14	193005000000000	1998-03-31	143541	FLOWER HOUSE FLORIST	926	\$59.36	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
15	193005000000000	1998-03-31	143382	KNOX FLORIST	1402	\$35.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
16	193005000000000	1998-04-28	144000	KNOX FLORIST	1402	\$37.10	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
17	193005000000000	1998-05-31	145028	HAGGARD FLORIST & GIFTS	1054	\$19.90	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
18	193005000000000	1998-06-19	145528	SHELBY, GRAHAM	3509	\$149.18	DELTA STORY HISTORY BOOKLETS
19	193005000000000	1998-06-24	146001	O C TANNER SALES COMPANY	3128	\$129.66	SAMPLE TIE TAC
20	193005000000000	1998-06-30	146133	COURT VIEW FLOWERS	664	\$35.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
21	193005000000000	1998-07-17	146797	CHAPMAN PRINTING COMPANY INC, T	497	\$1,295.00	NEWSLETTER

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

22	1930050000000000	1998-07-31	147259	COURT VIEW FLOWERS	664	\$35.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
23	1930050000000000	1998-07-31	146930	MERRY'S FLOWER SHOP	1635	\$40.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
24	1930050000000000	1998-07-31	147215	NATIONAL CITY	3334	-\$69.52	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
25	1930050000000000	1998-08-26	147751	SHELBY, GRAHAM	3509	\$50.00	DELTA STORY HISTORY BOOKLETS
26	1930050000000000	1998-08-31	147931	KNOX FLORIST	1402	\$37.10	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
27	1930050000000000	1998-09-30	148805	ALLEN'S FLOWERS & GREENHOUSES I	43	\$50.70	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
28	1930050000000000	1998-09-30	149422	CHAPMAN PRINTING COMPANY INC. T	497	\$1,295.00	NEWSLETTER
29	1930050000000000	1998-09-30	148881	FLOWER HOUSE FLORIST	926	\$48.76	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
30	1930050000000000	1998-09-30	148893	HAGGARD FLORIST & GIFTS	1054	\$65.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
31	1930050000000000	1998-09-30	148898	HENRY'S FLOWER SHOP	1132	\$42.40	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
32	1930050000000000	1998-09-30	148640	NATIONAL CITY	3334	\$429.00	SAMPLE DENIM SHIRTS
33	1930050000000000	1998-09-30	148640	NATIONAL CITY	3334	\$13.90	SAMPLE DENIM SHIRTS
34	1930050000000000	1998-10-23	149450	NATIONAL CITY	3334	\$85.00	SAMPLE LOGO SET UP FEE
35	1930050000000000	1998-10-28	149671	LAND'S END CORPORATE SALES	3364	\$3,916.80	STYLE 3110-2NLX MENS DENIM SHI
36	1930050000000000	1998-10-28	149671	LAND'S END CORPORATE SALES	3364	\$640.00	STYLE 3110-2NLX MENS DENIM SHI
37	1930050000000000	1998-10-30	149671	LAND'S END CORPORATE SALES	3364	\$1,591.20	STYLE #3110-4NL9 WOMEN'S DENIM
38	1930050000000000	1998-10-30	149671	LAND'S END CORPORATE SALES	3364	\$596.70	STYLE #3110-3NL4 MEN'S DENIM S
39	1930050000000000	1998-10-30	149671	LAND'S END CORPORATE SALES	3364	\$1,591.20	STYLE 3110-2NLX MENS DENIM SHI
40	1930050000000000	1998-10-30	149671	LAND'S END CORPORATE SALES	3364	\$260.00	STYLE #3110-4NL9 WOMEN'S DENIM
41	1930050000000000	1998-10-30	149671	LAND'S END CORPORATE SALES	3364	\$90.00	STYLE #3110-3NL4 MEN'S DENIM S

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

42	193005000000000	1998-10-30	149671	LANDS END CORPORATE SALES	3364	\$260.00	STYLE 3110-2NLX MENS DENIM SHI
43	193005000000000	1998-10-31	149726	COURT VIEW FLOWERS	664	\$49.64	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
44	193005000000000	1998-10-31	149759	HAGGARD FLORIST & GIFTS	1054	\$51.70	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
45	193005000000000	1998-10-31	150353	NATIONAL CITY	3334	\$13.54	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
46	193005000000000	1998-11-17	150234	MCNEILL BLOSSOM SHOPPE	0	\$29.50	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
47	193005000000000	1998-11-30	150823	MERRY'S FLOWER SHOP	1635	\$27.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
48	193005000000000	1998-12-09	150678	TRADITIONAL BANK	3572	\$500.00	DOOR PRIZES EMPLOYEE MEETING
49	193005000000000	1998-12-16	151417	ADVERTISING SPECIALTIES	32	\$590.40	(8) EXTRA LARGE AWARD JACKETS
50	193005000000000	1998-12-16	151417	ADVERTISING SPECIALTIES	32	\$669.70	74 CUSTOM CAPS WITH EMBROIDERY
51	193005000000000	1998-12-16	151417	ADVERTISING SPECIALTIES	32	\$506.25	25 AWARD KNIVES #7200
52	193005000000000	1998-12-16	151443	JOSTENS INC. - RECOGNITION	1300	\$5,791.84	EMPLOYEE SERVICE AWARDS PER AT
53	193005000000000	1998-12-23	151624	CHAPMAN PRINTING COMPANY INC, T	497	\$5,894.65	DELTA STORY HISTORY BOOKLETS
54	193005000000000	1998-12-23	151556	JOSTENS INC. - RECOGNITION	1300	\$565.47	EMPLOYEE SERVICE AWARDS PER AT
55	193005000000000	1998-12-31	151774	ALLENS FLOWERS & GREENHOUSES I	43	\$321.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
56	193005000000000	1998-12-31	152417	CHAPMAN PRINTING COMPANY INC, T	497	\$1,295.00	NEWSLETTER
57	193005000000000	1998-12-31	151856	KNOX FLORIST	1402	\$40.00	FLOWERS, ETC FOR EMPLOYEE /FAMILY SICKNESS & DEATH
58				TAX & FREIGHT LANDS END & ADVERTISING SPECIALTIES		\$1,094.78	DENIM SHIRTS - DELTA LOGO
59	A/C 1.930.05			TOTAL COMPANY RELATIONS		\$32,496.27	

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

1 Social Events & Parties

2 Account # 1,926.08 - Employee Recreation & Social

Line No.	AC #	DATE	CHECK #	VENDOR	VENDOR #	AMOUNT	DESCRIPTION
4	1926080000000000	11/30/1998	150671	NATIONAL CITY	3334	\$ 56.32	HALLOWEN PARTY FOOD
5	1926080000000000	12/04/1998	150649	WHITE, AL		\$ 250.00	PREDINNER MUSIC/CHRISTMAS MEETING
6	1926080000000000	12/04/1998	150611	MELROOD, ELYSE		\$ 150.00	PREDINNER MUSIC/CHRISTMAS MEETING
7	1926080000000000	12/04/1998	150652	WITHERSPOON, DAVID		\$ 200.00	PREDINNER MUSIC/CHRISTMAS MEETING
8	1926080000000000	12/31/1998	151928	NATIONAL CITY		\$ 77.18	COMPANY CHRISTMAS DINNER
9	1926080000000000	12/31/1998	151851	JENNINGS, GLENN R	1260	\$ 38.18	COMPANY CHRISTMAS DINNER
10	1926080000000000	12/31/1998	151928	NATIONAL CITY	3334	\$ 74.16	COMPANY CHRISTMAS DINNER
11	1926080000000000	12/31/1998	151928	NATIONAL CITY	3334	\$ 368.21	COMPANY CHRISTMAS DECORATIONS
12				TOTAL AC# 1,926.08		\$ 1,214.05	

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

- 1 Sports Leagues
- 2 No account set up for this type of expense, does not apply to Delta.

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

- 1 Fines and penalties
- 2 Account 1,930.13 - Misc Non-Tax Deductible
- 3 No expense for 1998

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

53. With regard to A/C 1.926.03 Employee 401 (k) Plan expenses, please provide a workpaper showing exactly what the basis is for these expenses and how they were calculated. In addition, explain the large increase that the 1998 test year expense of \$180,370 represents over the expense levels incurred in 1995, 1996 and 1997.

Response:

Delta's Employee 401K Plan expenses are calculated based on an employee's election to defer 2% to 15% of their salary. This is the employee's basic compensation as of July 1st. The employer will contribute a matching contribution equal to 50% of the employees salary deferral contribution up to a deferral of 5% of the basic compensation. The maximum matching contribution by the Company is 2.5%.

The increase in expense level is due to the increase in the maximum matching contribution by the Company, a reclassification of the Pension expense due to an account distribution correction made for a Trustee fee for 1997, increase in salaries, and percentage changes made by participants.

Sponsoring Witness:

John Brown

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

54. With regard to the \$77,561 adjustment shown on line 7 of Schedule 4, please provide the following information:
- a. Workpaper showing the derivation and all actual source documentation underlying the proposed adjustment.
 - b. For each of the last 10 years, 1989 through 1998, provide any recoveries of funds from Delta's stop-loss insurance coverage applicable to prior periods.

RESPONSE:

- a. See the PSC data request dated August 11, 1999 No. 30a(1).
- b. It could not be determined from the data prior to 1997 what amounts were applicable to prior periods.

Sponsoring Witness:

John F. Hall

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

55. With regard to the response to PSC data request Item 30 (Uncollectibles), please provide the following information
- a. For each year listed, provide the Total Revenues underlying the percentages on line 6 and indicate whether these Total Revenues include GCR revenues.
 - b. Are uncollectibles related to GCR revenues collected via the GCR mechanism or through base rates?
 - c. Page 325 of the Company's 1998 FERC. Form 2 shows that for 1998 and 1997 the uncollectibles were \$345,870 and \$310,000, respectively. Do these amounts represent accruals (provisions) or actual net write-offs? In addition, reconcile these two amounts to the uncollectible data for 1998 and 1997 on Item 30.
 - d. Explain the reasons why the provision percentage of 73% for the 1998 test year is so much higher than the provision percentages for the prior 5 years.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.

Uncollectibles
Case No. 99-176

AG 55

A Resubmission of AG Item 30 Dated - 7/15/99*
ANALYSIS OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

LINE NO.	1993	1994	1995	1996	1997	TEST YEAR	
1.	Beginning Balance	213,918	165,503	52,907	98,033	82,094	83,647
2.	Charge Offs	(175,873)	(242,192)	(109,263)	(196,041)	(349,853)	(321,377)
3.	Recoveries	26,658	28,796	25,989	30,102	41,406	47,633
4.	Current Year Provision	100,800	100,800	128,400	150,000	310,000	345,870
5.	Ending Balance	165,503	52,907	98,033	82,094	83,647	155,773
6.	Percent of Provision To Total Revenue	0.36%	0.33%	0.45%	0.45%	0.79%	0.99%

7. Total Revenue 27,726,216 30,972,260 28,845,368 33,052,029 39,185,262 34,857,742

From Financial Statements - 12mo ended Dec. on Statement of Income

These amounts include GCR Revenues

55 - B 9. Uncollectibles are reflected through the base rates.

55 - C 10. The FERC Form No. 2 shows accruals (provisions). These amounts agree with the corrected Item 30 shown above.

55 - D 11. The increase of provision to total revenues is due in part to a cyclical trend. The fluctuations in the ratio of provision to revenue is reliant upon economic trends and factors.

*On the original Item 30, the amount shown as current year provision was only the automatic journal entry to record the allowance as budgeted. Additional reserve was needed in these years, which was erroneously netted with the charge offs in the analysis submitted earlier.

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

56. Please provide a complete breakdown, including a brief description and the associated dollar amount, for all of the expense item included in each of the following accounts:

- 1.921.06 Miscellaneous other items
- 1.921.07 Employee Memberships
- 1.926.08 Employee recreational & social

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

ITEM 56 - AC 1921.06
PAGE 1 OF 16

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO DATE CHECK # VENDOR # VENDOR NAME AMOUNT DESCRIPTION INVOICE ID

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	AMOUNT	DESCRIPTION	INVOICE ID
1	1998-01-16	141200	3334	NATIONAL CITY	\$ 10.29	MISC SUPPLIES FOR MARKETING AREA	19001336
2	1998-01-16	141200	3334	NATIONAL CITY	\$ 161.22	MISC SUPPLIES FOR MARKETING AREA	13003890 R MILLER
3	1998-01-20	141503	3334	NATIONAL CITY	\$ 24.56	MISC MEETING SUPPLIES	10006276 E BENNETT
4	1998-01-20	141505	1857	PC SYSTEMS OF KENTUCKY INC	\$ (30.00)	CTX 17" MONITOR REPLACEMENT FO	81090
5	1998-01-21	141503	3334	NATIONAL CITY	\$ 4.16	MISC OFFICE SUPPLIE	11023818 J CRAYCRAFT
6	1998-01-22	141285	169	BALDWIN COOKE COMPANY	\$ 10.65	CALENDARS	983895
7	1998-01-22	141794	1816	OFFICE COFFEE SYSTEMS	\$ 66.00	COFFEE OFFICE	28628
8	1998-01-22	141794	1816	OFFICE COFFEE SYSTEMS	\$ 145.00	COFFEE OFFICE	28629
9	1998-01-22	141505	1857	PC SYSTEMS OF KENTUCKY INC	\$ 459.00	CTX 17" MONITOR REPLACEMENT FO	80776
10	1998-01-22	141273	0	SAM'S CLUB	\$ 325.00	MEMBERSHIPS	200662
11	1998-01-23	141337	2595	DELTA NATURAL GAS - 20	\$ 68.94	MISC OFFICE SUPPLIES	200667
12	1998-01-28	141566	900	FEDERAL EXPRESS CORP	\$ 144.00	DELIVERY/COURIER SERVICE	4-397-69739
13	1998-01-29	141646	2461	UNITED PARCEL SERVICE	\$ 40.00	DELIVERY/COURIER SERVICE	0000409750-048
14	1998-01-29	141646	2461	UNITED PARCEL SERVICE	\$ 82.67	DELIVERY/COURIER SERVICE	0000408072-048
15	1998-01-30	73	3491	BANK ONE TRUST COMPANY, NA	\$ 1.00	6 5/8% DEB CRCT ENTRY	6 5/8% DEBENTUR
16	1998-01-30	141581	1112	HAZELRIGG, ROBERT	\$ 4.50	PARKING	EXPENSE 1/98
17	1998-01-30	141613	3334	NATIONAL CITY	\$ 199.14	COMPUTER SUPPLIES	10021069 D TURPIN
18	1998-01-31	141850	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
19	1998-01-31	141850	39	ALE 8 ONE BOTTLING COMPANY	\$ 182.85	REFRESHMENTS/VENDING MACHINE	66000
20	1998-01-31	141728	363	BRIDGES & LANE	\$ 25.36	MISC OFFICE SUPPLIES	JAN 98
21	1998-01-31	141878	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 5.99	PAPER, PUNCH ACCESS	A32115A-02
22	1998-01-31	141878	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 16.99	PAPER PUNCH	A32115A-01
23	1998-01-31	141735	508	CINTAS - UNIFORM PEOPLE	\$ 36.62	DUST MOPS/MATS	312-10740
24	1998-01-31	141946	1522	LOWES BUSINESS ACCOUNT	\$ 4.83	MISC OFFICE SUPPLIES	82130181011831
25	1998-01-31	141783	1543	MADISON GROCERY COMPANY INC	\$ 400.00	MISC OFFICE SUPPLIES	589151
26	1998-01-31	141969	3334	NATIONAL CITY	\$ 142.01	COMPUTER SUPPLIES	11001632 L CURTIS
27	1998-01-31	142164	1816	OFFICE COFFEE SYSTEMS	\$ 15.50	COFFEE OFFICE	29366

DELTA NATURAL PRODUCTS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
28	1998-01-31	142164	1816	OFFICE COFFEE SYSTEMS	\$ 98.00	COFFEE OFFICE	29367
29	1998-01-31	142044	2046	REES OFFICE PRODUCTS	\$ 372.64	CHAIR MATS, FILE CABIN	6171
30	1998-01-31	142007	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 36.00	MISC OFFICE SUPPLIES	850
31	1998-02-11	142264	1857	PC SYSTEMS OF KENTUCKY INC	\$ 229.00	COMPUTER MONITOR	81242
32	1998-02-12	142264	1857	PC SYSTEMS OF KENTUCKY INC	\$ 35.90	COMPUTER SURGE PRO	81261
33	1998-02-17	142059	79	ASCAP	\$ 34.40	FEE USE MUSIC-PHONE	09-18-002954-9
34	1998-02-17	142262	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001681 F CURTIS
35	1998-02-17	142262	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11020251 C KING
36	1998-02-17	142262	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11056180 G JENNINGS
37	1998-02-19	142108	900	FEDERAL EXPRESS CORP	\$ 64.25	DELIVERY/COURIER SERVICE	4-426-28658
38	1998-02-19	142262	3334	NATIONAL CITY	\$ 87.30	J MORPHEW-MISC ENGINEERING SUPPLIES	10025392
39	1998-02-19	142202	3497	STONEKING, DONNA	\$ 39.99	BRIEFCASE	EXPENSE 2/98
40	1998-02-20	142134	1417	KENTUCKY STATE TREASURER	\$ 660.00	FILE CHEMICAL INV RPTS	28-MVR
41	1998-02-20	142262	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	10024832 G BAKER
42	1998-02-20	142262	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001673 J HALL
43	1998-02-20	142262	3334	NATIONAL CITY	\$ 97.82	J POTTER - MISC OFFICE SUPPLIES	10025219
44	1998-02-20	142516	1816	OFFICE COFFEE SYSTEMS	\$ 3.00	COFFEE OFFICE	30075
45	1998-02-20	142516	1816	OFFICE COFFEE SYSTEMS	\$ 137.50	COFFEE OFFICE	30077
46	1998-02-25	142341	1543	MADISON GROCERY COMPANY INC	\$ 296.19	PAPER TOWELS,CLEANING	591304
47	1998-02-26	142398	1837	ORCOM SYSTEMS	\$ 150.00	AUDIO TAPES/COMPUTER	A07925
48	1998-02-28	142600	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
49	1998-02-28	142600	39	ALE 8 ONE BOTTLING COMPANY	\$ 417.38	REFRESHMENTS/VENDING MACHINE	66000
50	1998-02-28	142609	221	BEAN (PE), BRADLEY B	\$ 149.00	COMPUTER SOFTWARE	1998.02.24.4.16
51	1998-02-28	143740	3451	CORPORATE EXPRESS	\$ 12.00	COMPUTER MOUSE	L84643
52	1998-02-28	142455	758	DELTA NATURAL GAS - 20	\$ 43.11	MISC OFFICE SUPPLIES	REIMB 2/98
53	1998-02-28	142469	959	FULLER, DONNA	\$ 23.83	SUPPLIES FOR KITCHEN	EXPENSE 3/98

DELTA NATURAL PRODUCTS COMPANY, INC.

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For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
54	1998-02-28	142497	1335	KENTUCKY BUSINESS MACHINE INC	\$ 199.00	CALCULATORS	1377
55	1998-02-28	142886	1522	LOWES BUSINESS ACCOUNT	\$ 292.76	MISC OFFICE SUPPLIES	82130181011831
56	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	1100 1657 R HAZELRIGG
57	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001533 V SCOTT
58	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001558 N WALLER
59	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001582 S BILLINGS
60	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001640 L SNOWDEN
61	1998-02-28	142771	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11004206 A HEATH
62	1998-02-28	142771	3334	NATIONAL CITY	\$ 39.65	MISC OFFICE SUPPLIES FOR PERSONNEL	10025110 J HENSLEY
63	1998-02-28	142771	3334	NATIONAL CITY	\$ 181.52	COMPUTER SUPPLIES	10021069 D TURPIN
64	1998-02-28	143004	3334	NATIONAL CITY	\$ 8.06	SUPPLIES FOR MEETINGS	10006276 E BENNETT
65	1998-02-28	142908	1816	OFFICE COFFEE SYSTEMS	\$ 41.50	COFFEE OFFICE	30814
66	1998-02-28	142908	1816	OFFICE COFFEE SYSTEMS	\$ 150.50	COFFEE OFFICE	30813
67	1998-02-28	142589	2046	REES OFFICE PRODUCTS	\$ 128.99	CHAIR MATS	6171
68	1998-02-28	142555	2461	UNITED PARCEL SERVICE	\$ 263.79	DELIVERY/COURIER SERVICE	0000408072-098
69	1998-02-28	142739	2461	UNITED PARCEL SERVICE	\$ 56.00	DELIVERY/COURIER SERVICE	0000409750-098
70	1998-03-13	142731	2113	RUPARD, MARY V.	\$ 19.60	FIRST AID MEETINGS	EXP 2/13-3/9/98
71	1998-03-17	143740	3451	CORPORATE EXPRESS	\$ 20.82	COMPUTER KEYBOARD	L92221
72	1998-03-17	142926	2113	RUPARD, MARY V.	\$ 31.52	SUPPLIES BUDGET MTG	EXPENSE 3/98
73	1998-03-18	143101	0	SAM'S CLUB	\$ 10.00	MEMBERSHIP	4909667758874
74	1998-03-19	143004	3334	NATIONAL CITY	\$ 22.23	J POTTER - MISC OFFICE SUPPLIES	10025219
75	1998-03-19	143263	1816	OFFICE COFFEE SYSTEMS	\$ 45.00	COFFEE OFFICE	31610
76	1998-03-19	143263	1816	OFFICE COFFEE SYSTEMS	\$ 122.14	COFFEE OFFICE	31609
77	1998-03-20	143004	3334	NATIONAL CITY	\$ 53.92	J HALL TREASURY MISC SUPPLIES	11001673 J HALL
78	1998-03-24	143053	900	FEDERAL EXPRESS CORP	\$ 525.94	DELIVERY/COURIER SERVICE	4-456-28646
79	1998-03-24	143138	3334	NATIONAL CITY	\$ 33.58	MISC OFFICE SUPPLIES	1102 0251 C KING
80	1998-03-24	143446	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 167.00	MISC OFFICE SUPPLIES	1237
81	1998-03-27	143022	1290	CLARK COUNTY COURT CLERK	\$ 85.00	FILE FEE SUBS ARTICLES	209714
82	1998-03-27	143138	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11023818 C KING

DELTA NATURAL GAS COMPANY, INC.

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Account 1.921.06 - Miscellaneous Other Items

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AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
83	1998-03-31	143306	39	ALE 8 ONE BOTTLING COMPANY	\$ 417.38	REFRESHMENTS/VENDING MACHINE	66000
84	1998-03-31	143497	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
85	1998-03-31	143317	294	BILLINGS, GEORGE S	\$ 14.00	COPIES ENPRO DOCUMENTS	EXPENSE 3/98
86	1998-03-31	143198	363	BRIDGES & LANE	\$ 10.73	MISC OFFICE SUPPLIES	MAR 98
87	1998-03-31	143367	145	GRAYARC	\$ 269.28	STRAPPING TAPE PACHAGING	9263060
88	1998-03-31	143240	1260	JENNINGS, GLENN R	\$ 4.07	BOWLS USED INVESTORS MTGS	EXP 198-3/98
89	1998-03-31	143404	1666	MILLER JR., ROBERT C.	\$ 1.60	TOLL FEES	EXPENSE 3/98
90	1998-03-31	143301	3334	NATIONAL CITY	\$ 30.26	MISC OFFICE SUPPLIES	10025110 J POTTER
91	1998-03-31	143301	3334	NATIONAL CITY	\$ 193.23	COMPUTER SUPPLIES	10021089 D TURPIN
92	1998-03-31	143412	3334	NATIONAL CITY	\$ 15.12	MISC SUPPLIER FOR OPERATIONS	11001582 S BILLINGS
93	1998-03-31	143580	3334	NATIONAL CITY	\$ 22.91	MISC COPIES, SUPPLIES	11055240 W SHARP
94	1998-03-31	143580	3334	NATIONAL CITY	\$ 50.31	MISC SUPPLIES FOR MEETINGS	10006276 E BENNETT
95	1998-03-31	143580	3334	NATIONAL CITY	\$ 104.94	MISC OFFICE SUPPLIES	13003890 R MILLER
96	1998-03-31	143890	3334	NATIONAL CITY	\$ 121.89	J BROWN - ACCOUNTING MISC SUPPLIES	19004885
97	1998-03-31	143583	1816	OFFICE COFFEE SYSTEMS	\$ 68.00	COFFEE OFFICE	32328
98	1998-03-31	143583	1816	OFFICE COFFEE SYSTEMS	\$ 117.80	COFFEE OFFICE	32329
99	1998-03-31	143430	2046	REES OFFICE PRODUCTS	\$ 26.68	BLACK DIE W/LETTERS	6171
100	1998-03-31	143457	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	0000409750-138
101	1998-03-31	143457	2461	UNITED PARCEL SERVICE	\$ 94.45	DELIVERY/COURIER SERVICE	0000408072-138
102	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0143383
103	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0188643
104	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0203361
105	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0215472

DELTA NATURAL GAS COMPANY, INC.

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For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	AMOUNT	DESCRIPTION	INVOICE ID
106	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0215473
107	1998-04-01	143246	1417	KENTUCKY STATE TREASURER	\$ 15.00	KY STATE ANNUAL REPORT	0215474
108	1998-04-07	143812	1857	PC SYSTEMS OF KENTUCKY INC	\$ 51.00	SURGE PROTECTOR	81727
109	1998-04-08	143394	1543	MADISON GROCERY COMPANY INC	\$ 388.11	MISC OFFICE SUPPLIES	596037
110	1998-04-08	143458	2464	UNIVERSITY OF KENTUCKY	\$ 522.00	UK FOOTBALL TICKETS	28628
111	1998-04-08	143459	2464	UNIVERSITY OF KENTUCKY	\$ 52.00	UK FOOTBALL TICKETS	28628
112	1998-04-16	143540	900	FEDERAL EXPRESS CORP	\$ 188.80	DELIVERY/COURIER SERVICE	4-485-02699
113	1998-04-23	143856	58	AMERICAN EXPRESS	\$ 55.00	ANNUAL FEE	378261641122009
114	1998-04-23	143878	3527	KENTUCKY REVENUE CABINET	\$ 16,914.83	SALES TAX DUE FROM AUDIT	000045085
115	1998-04-23	143890	3334	NATIONAL CITY	\$ 41.09	MISC OFFICE SUPPLIES	11001681 F CURTIS
116	1998-04-23	144023	3334	NATIONAL CITY	\$ 9.13	COMPUTER SUPPLIES	10021069 D TURPIN
117	1998-04-23	144023	3334	NATIONAL CITY	\$ 125.98	COMPUTER SUPPLIES	10021069 D TURPIN
118	1998-04-23	144023	3334	NATIONAL CITY	\$ 165.00	COMPUTER SUPPLIES	10021069 D TURPIN
119	1998-04-23	143647	1950	POSTMASTER - 20	\$ 64.00	POSTAGE	208175
120	1998-04-28	144242	1816	OFFICE COFFEE SYSTEMS	\$ 80.00	COFFEE OFFICE	33412
121	1998-04-28	144242	1816	OFFICE COFFEE SYSTEMS	\$ 136.00	COFFEE OFFICE	33411
122	1998-04-29	144420	1816	OFFICE COFFEE SYSTEMS	\$ 69.50	COFFEE OFFICE	33772
123	1998-04-29	144420	1816	OFFICE COFFEE SYSTEMS	\$ 77.50	COFFEE OFFICE	33773
124	1998-04-29	144040	0	SECRETARY OF STATE	\$ 10.00	REG AGT TRANEX	REG AGT TRANEX
125	1998-04-30	144106	39	ALE 8 ONE BOTTLING COMPANY	\$ 287.53	REFRESHMENTS/VENDING MACHINE	66000
126	1998-04-30	144312	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
127	1998-04-30	144141	508	CINTAS - UNIFORM PEOPLE	\$ 36.62	MOPS/RUGS OFFICE	312-10740
128	1998-04-30	144175	945	FRAMES & SUCH	\$ 128.00	MAPS-MR PEETS OFFICE	CL-861
129	1998-04-30	144405	0	MANNING & ASSOCIATES PSC	\$ 32.25	BLUEPRINTS FOR MKTG	98045
130	1998-04-30	144298	3334	NATIONAL CITY	\$ 22.25	N WALLER MISC SUPPLIES	11001558
131	1998-04-30	144298	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	11001632 L CURTIS
132	1998-04-30	144767	3334	NATIONAL CITY	\$ 11.61	MISC SUPPLIES FOR MEETINGS	10006276 E BENNETT
133	1998-04-30	144255	2046	REES OFFICE PRODUCTS	\$ 58.11	CHAIR MAT	6171

DELTA NATURAL GAS COMPANY, INC.

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For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
134	1998-04-30	144258	2113	RUPARD, MARY V.	\$ 13.24	SUPPLIES FOR MEETING	EXPENSE 4/98
135	1998-04-30	144059	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	0000409750-178
136	1998-04-30	144059	2461	UNITED PARCEL SERVICE	\$ 100.90	DELIVERY/COURIER SERVICE	0000408072-178
137	1998-04-30	144280	2508	WALLER, NELL	\$ 1.20	MISC	EXPENSE 4/98
138	1998-05-13	144402	1543	MADISON GROCERY COMPANY INC	\$ 359.70	MISC OFFICE SUPPLIES	599880
139	1998-05-13	144427	3254	PICTURE PERFECT PHOTO	\$ 32.54	PICTURES ANNUAL REPORT	12327
140	1998-05-14	144419	0	NTIS	\$ 18.00	CLEAR OVERDUE AMOUNT ON ACCOUNT	60264
141	1998-05-18	144767	3334	NATIONAL CITY	\$ 9.88	R YEARLY - SURVEY SUPPLIES	10024832
142	1998-05-22	144555	891	FAST PHOTOS	\$ 38.55	PICTURES CM PROJECT	30381
143	1998-05-22	144767	3334	NATIONAL CITY	\$ 17.48	F CURTIS - MISC OFFICE SUPPLIES	11001681
144	1998-05-22	144767	3334	NATIONAL CITY	\$ 541.26	J BROWN - ACCOUNTING MISC SUPPLIES	19004885
145	1998-05-22	144863	1816	OFFICE COFFEE SYSTEMS	\$ 161.00	COFFEE OFFICE	34535
146	1998-05-22	144654	3254	PICTURE PERFECT PHOTO	\$ 28.21	PICTURES ANNUAL REPORT	12377
147	1998-05-29	144780	20	ACTION BUSINESS SUPPLIERS INC	\$ 192.00	FURNITURE	231405-0
148	1998-05-29	144807	1290	CLARK COUNTY COURT CLERK	\$ 9.00	MISC FEE	209864
149	1998-05-29	145078	1857	PC SYSTEMS OF KENTUCKY INC	\$ 116.00	VIDEO ADAPTER	81998
150	1998-05-29	145111	2461	UNITED PARCEL SERVICE	\$ 127.49	DELIVERY/COURIER SERVICE	0000408072-218
151	1998-05-31	145156	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
152	1998-05-31	145156	39	ALE 8 ONE BOTTLING COMPANY	\$ 194.78	REFRESHMENTS/VENDING MACHINE	66000
153	1998-05-31	145185	508	CINTAS - UNIFORM PEOPLE	\$ 36.62	MATS FOR FLOOR	312-10740
154	1998-05-31	145212	2313	DELTA NATURAL GAS - 05	\$ 5.98	MISC OFFICE SUPPLIES	052429
155	1998-05-31	145007	758	DELTA NATURAL GAS - 20	\$ 15.22	MISC OFFICE SUPPLIES	REIMB20
156	1998-05-31	145213	758	DELTA NATURAL GAS - 20	\$ 38.67	MISC OFFICE SUPPLIES	206290
157	1998-05-31	145143	3334	NATIONAL CITY	\$ 4.60	V SCOTT - MISC OFFICE SUPPLIES	11001533

DELTA NATURAL GAS COMPANY, INC.

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For 12 Months Ended 12/31/98
Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
158	1998-05-31	145143	3334	NATIONAL CITY	\$ 105.99	L CURTIS- COMPUTER SUPPLIES	11001632
159	1998-05-31	145587	3334	NATIONAL CITY	\$ 10.05	MISC SUPPLIES FOR MEETINGS	10006276 E BENNETT
160	1998-05-31	145587	3334	NATIONAL CITY	\$ 137.79	J MORPHEW- MISC ENGINEERING SUPPLIES	10025392
161	1998-05-31	145311	1816	OFFICE COFFEE SYSTEMS	\$ 94.50	COFFEE OFFICE	35217
162	1998-05-31	145311	1816	OFFICE COFFEE SYSTEMS	\$ 170.00	COFFEE OFFICE	35216
163	1998-05-31	145314	1383	PARAMOUNT'S KINGS ISLAND	\$ 99.80	TICKETS KINGS ISLAND	0096761
164	1998-05-31	145111	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	0000409750-218
165	1998-06-01	144895	3191	TENNESSEE DEPARTMENT OF REVENUE	\$ 15.09	FRANCHISE, EXCISE TAX	8304936980516
166	1998-06-05	145813	1857	PC SYSTEMS OF KENTUCKY INC	\$ 71.80	SURGE PROTECTOR	82081
167	1998-06-09	145282	1543	MADISON GROCERY COMPANY INC	\$ 392.14	MISC OFFICE SUPPLIES	602744
168	1998-06-11	145881	1816	OFFICE COFFEE SYSTEMS	\$ 62.00	COFFEE OFFICE	35740
169	1998-06-11	145881	1816	OFFICE COFFEE SYSTEMS	\$ 73.50	COFFEE OFFICE	35739
170	1998-06-17	145493	1543	MADISON GROCERY COMPANY INC	\$ 256.90	MISC OFFICE SUPPLIES	603473
171	1998-06-17	145855	3334	NATIONAL CITY	\$ 234.90	MISC SUPPLIES, ARMENIAN TRIP	1900 4885
172	1998-06-17	145855	3334	NATIONAL CITY	\$ 361.26	MISC SUPPLIES, ARMENIAN TRIP	1105 6180 G JENNINGS
173	1998-06-17	145508	1857	PC SYSTEMS OF KENTUCKY INC	\$ 72.04	SURGE PROTECTOR	81968
174	1998-06-17	145551	2636	YEARY, CHARLES R.	\$ 3.90	MISC SUPPLIES	REMB EXP
175	1998-06-19	145449	891	FAST PHOTOS	\$ 5.87	PICTURES WO 525349	30675
176	1998-06-19	145490	1522	LOWES BUSINESS ACCOUNT	\$ 128.07	MISC OFFICE SUPPLIES	82130181011831
177	1998-06-19	145537	2390	TENNESSEE SECRETARY OF STATE	\$ 20.00	ANNUAL REPORT FEE	0215879
178	1998-06-19	145537	2390	TENNESSEE SECRETARY OF STATE	\$ 20.00	ANNUAL REPORT FEE	0215880
179	1998-06-24	145754	780	DOLLYWOOD	\$ 259.60	TICKETS DOLLYWOOD	241
180	1998-06-24	145759	900	FEDERAL EXPRESS CORP	\$ 28.00	DELIVERY/COURIER SERVICE	4-550-42807
181	1998-06-24	145782	3406	KENTUCKY KINGDOM	\$ 41.85	TICKETS KY KINGDOM	0001139-IN
182	1998-06-25	145880	3334	NATIONAL CITY	\$ 22.91	MISC MEASUREMENT SUPPLIES	10002184 B COYLE
183	1998-06-25	146244	1816	OFFICE COFFEE SYSTEMS	\$ 108.50	COFFEE OFFICE	36445
184	1998-06-25	146244	1816	OFFICE COFFEE SYSTEMS	\$ 280.00	COFFEE OFFICE	36447
185	1998-06-26	145714	58	AMERICAN EXPRESS	\$ 55.00	ANNUAL FEE	378261641122009

DELTA NATURAL GAS COMPANY, INC.

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Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	AMOUNT	DESCRIPTION	INVOICE ID
186	1998-06-26	145722	2807	BANK ONE KENTUCKY NA	\$ 99.74	ANALYSIS FOR ACCT	034 0260052574
187	1998-06-26	145855	3334	NATIONAL CITY	\$ 17.68	R YEARY - SURVEY SUPPLIES	10024832
188	1998-06-30	146073	39	ALE 8 ONE BOTTLING COMPANY	\$ 287.53	REFRESHMENTS/VENDING MACHINE	66000
189	1998-06-30	146336	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	5049
190	1998-06-30	146100	363	BRIDGES & LANE	\$ 20.97	MISC OFFICE SUPPLIES	JUN 98
191	1998-06-30	146797	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 229.25	BUSINESS CARDS	LJ3227
192	1998-06-30	146158	900	FEDERAL EXPRESS CORP	\$ 124.00	DELIVERY/COURIER SERVICE	4-521-43626
193	1998-06-30	146231	1666	MILLER JR., ROBERT C.	\$ 4.40	TOLLS EXPENSE	EXP 4/98-6/98
194	1998-06-30	146324	3334	NATIONAL CITY	\$ 16.66	ANNUAL FEE, J STEELE	11014338 J STEELE
195	1998-06-30	146324	3334	NATIONAL CITY	\$ 30.69	MAPS PUBLICATION; S BILLINGS	11001582 S BILLINGS
196	1998-06-30	146324	3334	NATIONAL CITY	\$ 39.18	UNDERDESK KEYBOARD; L CURTIS	11001632 L CURTIS
197	1998-06-30	146324	3334	NATIONAL CITY	\$ 60.40	SOFTWARE PKG & DISC	11001558 N WALLER
198	1998-06-30	146324	3334	NATIONAL CITY	\$ 99.19	CLEANING SUPPLIES	10025110 J HENSLEY
199	1998-06-30	146458	3334	NATIONAL CITY	\$ 9.41	CALCULATOR BATTERIES	1300 3890 R MILLER
200	1998-06-30	146458	3334	NATIONAL CITY	\$ 83.96	FILM, PHOTOS, BATTERIES FOR DELTA STORY	1000 6276 E BENNETT
201	1998-06-30	146463	1383	PARAMOUNT'S KINGS ISLAND	\$ 99.80	TICKETS KINGS ISLAND	0097562
202	1998-06-30	146286	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 256.52	MISC OFFICE SUPPLIES, CUPS, TOWELS, TISSUE, SOAP	1523
203	1998-06-30	146293	3191	TENNESSEE DEPARTMENT OF REVENUE	\$ 15.09	FRANCHISE, EXCISE TAX	8174005980625
204	1998-06-30	146301	2461	UNITED PARCEL SERVICE	\$ 60.00	DELIVERY/COURIER SERVICE	0000409750-268
205	1998-06-30	146301	2461	UNITED PARCEL SERVICE	\$ 125.02	DELIVERY/COURIER SERVICE	0000408072-268
206	1998-07-17	146411	0	HERTZ FURNITURE SYSTEMS CORP	\$ 5.00	FREIGHT ON UTILITY CART	331981
207	1998-07-17	146442	1543	MADISON GROCERY COMPANY INC	\$ 338.46	MISC OFFICE SUPPLIES, CUPS, TOWELS, TISSUE, SOAP	606329

DELTA NATURAL GAS COMPANY, INC.

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For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
208	1998-07-17	146824	3334	NATIONAL CITY	\$ 13.04	FREIGHT ON UTILITY CART	11001681 F CURTIS
209	1998-07-17	146824	3334	NATIONAL CITY	\$ 89.00	UTILITY CART	11001681 F CURTIS
210	1998-07-17	146484	2241	SNOWDEN, LINVILLE	\$ 59.08	SUPPLIES COOK-OUT CANADA MT	EXPENSE 7/98
211	1998-07-23	146627	945	FRAMES & SUCH	\$ 110.00	FRAMING MAPS	MAPS
212	1998-07-23	146671	3406	KENTUCKY KINGDOM	\$ 69.75	TICKETS KY KINGDOM	0002708-IN
213	1998-07-23	146688	1522	LOWES BUSINESS ACCOUNT	\$ 8.11	LETTERS	82130181011831
214	1998-07-23	146824	3334	NATIONAL CITY	\$ 8.47	FILM	11055240 W SHARP
215	1998-07-23	147140	1816	OFFICE COFFEE SYSTEMS	\$ 37.50	COFFEE OFFICE	37632
216	1998-07-24	146580	409	BYPASS HARDWARE AND RENTAL	\$ 6.36	MASTER KEY	040120
217	1998-07-24	146824	3334	NATIONAL CITY	\$ 55.12	W O 525353	1002 4832 R YEARY
218	1998-07-31	147228	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
219	1998-07-31	147228	39	ALE 8 ONE BOTTLING COMPANY	\$ 213.33	REFRESHMENTS/VENDING MACHINE	66000
220	1998-07-31	147388	58	AMERICAN EXPRESS	\$ 35.79	PICTURE DEVELOPMENT	378261641122009
221	1998-07-31	147030	3463	BEST VALUE STORES	\$ 326.17	DISHWASHER-WAREHOUSE	19093
222	1998-07-31	147036	363	BRIDGES & LANE	\$ 30.15	MISC OFFICE SUPPLIES	JUL 98
223	1998-07-31	147059	758	DELTA NATURAL GAS - 20	\$ 10.00	BANK MAINTENANCE CHG	REIMB 7/98
224	1998-07-31	147121	1543	MADISON GROCERY COMPANY INC	\$ 358.96	OFFICE SUPPLIES, PAPER TOWELS, TOILET TISSUE, ETC	608440
225	1998-07-31	147215	3334	NATIONAL CITY	\$ 127.19	CPU/KEYBOARD DRIVE UNDERDESK LAPTOP	11001632 L CURTIS
226	1998-07-31	147639	3334	NATIONAL CITY	\$ 22.29	SUPPLIES FOR EXECUTIVE COMMITTEE MTG	10006276 E BENNETT
227	1998-07-31	147639	3334	NATIONAL CITY	\$ 37.58	JIM NELSON - MISC	11026043
228	1998-07-31	147558	1816	OFFICE COFFEE SYSTEMS	\$ 6.00	COFFEE OFFICE	38235
229	1998-07-31	147558	1816	OFFICE COFFEE SYSTEMS	\$ 74.50	COFFEE OFFICE	38234
230	1998-07-31	147561	1383	PARAMOUNT'S KINGS ISLAND	\$ 285.40	TICKETS KINGS ISLAND	0098745
231	1998-07-31	147191	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	0000409750-308
232	1998-07-31	147191	2461	UNITED PARCEL SERVICE	\$ 115.65	DELIVERY/COURIER SERVICE	0000408072-308

DELTA NATURAL GAS COMPANY, INC.

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Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
233	1998-08-11	147827	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 36.00	MISC OFFICE SUPPLIES	1641
234	1998-08-13	147269	780	DOLLYWOOD	\$ 267.20	TICKETS DOLLYWOOD	TICKETS
235	1998-08-13	147314	3406	KENTUCKY KINGDOM	\$ 41.85	TICKETS KY KINGDOM	0003520-IN
236	1998-08-13	147639	3334	NATIONAL CITY	\$ 25.00	JONATHAN MORPHEW-MISC ENGINEERING	10025392
237	1998-08-19	147952	1816	OFFICE COFFEE SYSTEMS	\$ 40.00	COFFEE OFFICE	38883
238	1998-08-19	147952	1816	OFFICE COFFEE SYSTEMS	\$ 142.00	COFFEE OFFICE	38882
239	1998-08-21	147485	900	FEDERAL EXPRESS CORP	\$ 63.28	DELIVERY/COURIER SERVICE	7-525-71766
240	1998-08-26	147752	2269	SOUTHERN CHRISTIAN LEADERSHIP CON	\$ 150.00	EQUAL EMPLOYMENT LISTING	028661
241	1998-08-28	147670	0	BRAINARD, DAVID	\$ 428.10	REIMBURSEMENT DAMAGES TO VEHICLE FROM ITEM FALLING FROM DELTA'S VEHICLE	209355
242	1998-08-28	147725	1522	LOWES BUSINESS ACCOUNT	\$ 20.04	MOUSE TRAP BAR FOR BILLING MACHINE	82130181011831
243	1998-08-28	147737	3334	NATIONAL CITY	\$ 105.54	DAVID TURPIN-COMPUTER SUPPLIES	1002 1069
244	1998-08-28	147761	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	000409750-348
245	1998-08-31	148036	39	ALE 8 ONE BOTTLING COMPANY	\$ 166.95	REFRESHMENTS/VENDING MACHINE	66000
246	1998-08-31	148035	50	AL'S GARDEN CENTER	\$ 120.00	SHRUBS	SHRUB IN PLNTRS
247	1998-08-31	147912	1107	HEATH, ALAN	\$ 6.08	MISC OFFICE SUPPLIES	EXP 4/98-8/98
248	1998-08-31	147925	1255	JENKINS COFFEE SERVICE	\$ 63.72	COFFEE OFFICE	3-40107
249	1998-08-31	148022	3334	NATIONAL CITY	\$ 5.50	MISC OFFICE SUPPLIES	11004206
250	1998-08-31	148022	3334	NATIONAL CITY	\$ 22.23	3M DISC	11001632
251	1998-08-31	148022	3334	NATIONAL CITY	\$ 32.08	JUANITA HENSLEY - SUPPLIES FOR PERSONNEL	10025110
252	1998-08-31	148022	3334	NATIONAL CITY	\$ 69.00	ALAN HEATH - MISC OPERATING SUPPLIES	11004206
253	1998-08-31	148346	1816	OFFICE COFFEE SYSTEMS	\$ 28.00	COFFEE OFFICE	39484
254	1998-08-31	148346	1816	OFFICE COFFEE SYSTEMS	\$ 68.50	COFFEE OFFICE	39483
255	1998-08-31	148169	2113	RUPARD, MARY V.	\$ 39.54	FIRST AID CLASS SUPPLIES	EXPENSE 9/98
256	1998-08-31	147761	2461	UNITED PARCEL SERVICE	\$ 210.74	DELIVERY/COURIER SERVICE	0000408072-348

DELTA NATURAL GAS COMPANY, INC.

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Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
257	1998-08-31	143459	2464	UNIVERSITY OF KENTUCKY	\$ (52.00)	REFUND UK FOOTBALL TICKETS	28628
258	1998-08-31	148000	2508	WALLER, NELL	\$ 0.80	LOTTERY	EXP 6/98-8/98
259	1998-09-04	148021	1413	KENTUCKY STATE TREASURER	\$ 9,855.17	MISC	SALES & USE TAX
260	1998-09-11	148131	1543	MADISON GROCERY COMPANY INC	\$ 312.26	RESULT OF SALES TAX AUDIT	612209
261	1998-09-15	148315	3406	KENTUCKY KINGDOM	\$ 41.85	MISC OFFICE SUPPLIES	0004371-IN
262	1998-09-15	148435	3334	NATIONAL CITY	\$ 43.12	TICKETS KY KINGDOM	10006276 E BENNETT
263	1998-09-16	148286	900	FEDERAL EXPRESS CORP	\$ 134.57	SUPPLIES FOR MANAGEMENT	7-510-00657
264	1998-09-16	148325	1522	LOWES BUSINESS ACCOUNT	\$ 0.79	MEETING	82130181011831
265	1998-09-16	148325	1522	LOWES BUSINESS ACCOUNT	\$ 7.35	DELIVERY/COURIER SERVICE	82130181011831
266	1998-09-16	148745	1816	OFFICE COFFEE SYSTEMS	\$ 28.00	MISC OFFICE SUPPLIES	40066
267	1998-09-17	148745	1816	OFFICE COFFEE SYSTEMS	\$ 35.50	COFFEE OFFICE	40067
268	1998-09-18	148435	3334	NATIONAL CITY	\$ 105.40	COFFEE OFFICE	10025392
269	1998-09-22	148551	3334	NATIONAL CITY	\$ 76.98	MISC OFFICE SUPPLIES	1100 1582 S BILLINGS
270	1998-09-22	149004	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 206.00	BUSINESS CARDS	1756
271	1998-09-24	148456	244	BENNETT, EMILY	\$ 28.32	MISC OFFICE SUPPLIES	REMB EXP
272	1998-09-25	148477	2595	DELTA NATURAL GAS - 20	\$ 33.99	MISC EXPENSE MTGS	206292
273	1998-09-30	148802	39	ALE 8 ONE BOTTLING COMPANY	\$ 41.20	MISC OFFICE SUPPLIES	409800
274	1998-09-30	148802	39	ALE 8 ONE BOTTLING COMPANY	\$ 473.03	REFRESHMENTS/VENDING	66000
275	1998-09-30	148822	294	BILLINGS, GEORGE S	\$ 15.50	MACHINE	EXPENSE 9/98
276	1998-09-30	148827	363	BRIDGES & LANE	\$ 4.76	MISC EXPENSE OPERATIONS	SEP 98
277	1998-09-30	148866	758	DELTA NATURAL GAS - 20	\$ 140.77	DEPT	REIMB 9/98
278	1998-09-30	148702	891	FAST PHOTOS	\$ 76.48	MISC OFFICE SUPPLIES	31614
279	1998-09-30	148732	1543	MADISON GROCERY COMPANY INC	\$ 338.16	ARMENIA DELGATION	614556
280	1998-09-30	148942	3189	MCCAY, TOM	\$ 10.94	MISC OFFICE SUPPLIES	EXP 7/98-9/98
281	1998-09-30	148738	1620	MEERS, MARY	\$ 52.94	MISC OFFICE ITEMS	EXPENSE 9/98
282	1998-09-30	148740	1666	MILLER JR., ROBERT C.	\$ 3.60	MISC OFFICE SUPPLIES	EXP 8/98-10/98
283	1998-09-30	148744	3334	NATIONAL CITY	\$ 14.45	COPIES	10021069
						DAVID TURPIN-COMPUTER	
						SUPPLIES	

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LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
284	1998-09-30	148744	3334	NATIONAL CITY	\$ 219.92	DAVID TURPIN - COMPUTER SUPPLIES	10021069
285	1998-09-30	149050	3334	NATIONAL CITY	\$ 12.34	MISC - VIRGIL SCOTT	11001533
286	1998-09-30	149050	3334	NATIONAL CITY	\$ 13.98	ALAN HEATH - MISC OPERATING SUPPLIES	11004206
287	1998-09-30	149050	3334	NATIONAL CITY	\$ 22.75	PHOTO DELTA STORY	11001558 N WALLER
288	1998-09-30	149050	3334	NATIONAL CITY	\$ 26.21	FINANCE FEES & LATE CHARGE	11001582 S BILLINGS
289	1998-09-30	149190	3334	NATIONAL CITY	\$ 7.25	MISC OFFICE ITEMS	19001336 T MCCAY
290	1998-09-30	149190	3334	NATIONAL CITY	\$ 16.92	VAN TOOLS MISC	13003890 R MILLER
291	1998-09-30	149190	3334	NATIONAL CITY	\$ 77.01	JIM NELSON - MISC ENGINEERING	11026043
292	1998-09-30	149450	3334	NATIONAL CITY	\$ 4.23	ALMANAC - E BENNETT	10006276
293	1998-09-30	149192	1816	OFFICE COFFEE SYSTEMS	\$ 142.00	COFFEE OFFICE	40732
294	1998-09-30	149276	3058	OHIO TRUCK EQUIPMENT INC	\$ (1,094.09)	SALES TAX OWED DELTA	SALES TAX
295	1998-09-30	148769	2461	UNITED PARCEL SERVICE	\$ 60.00	DELIVERY/COURIER SERVICE	0000409750-398
296	1998-09-30	148769	2461	UNITED PARCEL SERVICE	\$ 205.45	DELIVERY/COURIER SERVICE	0000408072-398
297	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 349.00	6A-HON-291T1NWW62 HIGH BACK SW	155026-0
298	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 676.00	6A-HON-514P-Q 4-DRAWER FILING	155026-0
299	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 595.00	6A-HON-5902AB62T TASK CHAIRS	155026-0
300	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 165.00	6A-HON-5905AB62T TASK SWIVEL S	155026-0
301	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 84.00	6A-HON-5994 LOOP ARMS FOR CASH	155026-0
302	1998-10-08	149059	2046	REES OFFICE PRODUCTS	\$ 68.99	6A-QRT-7534 DRY ERASE BOARD	155026-0
303	1998-10-16	149363	1522	LOWES BUSINESS ACCOUNT	\$ 20.72	MISC OFFICE SUPPLIES	82130181011831
304	1998-10-16	149621	1816	OFFICE COFFEE SYSTEMS	\$ 51.45	COFFEE OFFICE	41505
305	1998-10-16	149621	1816	OFFICE COFFEE SYSTEMS	\$ 57.58	COFFEE OFFICE	41504
306	1998-10-20	149450	3334	NATIONAL CITY	\$ 4.60	MISC OFFICE SUPPLIES	1102 0251 C KING
307	1998-10-20	149450	3334	NATIONAL CITY	\$ 25.00	H D PEET , MISC OFFICE	1001 3785
308	1998-10-22	149712	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 42.50	OFFICE SUPPLIES	LJ5415

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AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
309	1998-10-22	149332	900	FEDERAL EXPRESS CORP	\$ 47.42	DELIVERY/COURIER SERVICE	7-510-19893
310	1998-10-22	149450	3334	NATIONAL CITY	\$ 25.42	JOHN BROWN - ACCOUNTING SUPPLIES	1900 4885
311	1998-10-22	149619	3334	NATIONAL CITY	\$ 45.88	DAVID TURPIN-COMPUTER SUPPLIES	1002 1069
312	1998-10-23	149404	0	TREASURER - COMMONWEALTH OF KENT	\$ 26.60	COPIES	COPIES/98-426
313	1998-10-30	149861	3334	NATIONAL CITY	\$ 146.03	ALAN HEATH - MISC OPERATING SUPPLIES	11004206
314	1998-10-30	150005	1816	OFFICE COFFEE SYSTEMS	\$ 46.45	COFFEE OFFICE	42231
315	1998-10-30	150005	1816	OFFICE COFFEE SYSTEMS	\$ 190.70	COFFEE OFFICE	42230
316	1998-10-30	149650	2461	UNITED PARCEL SERVICE	\$ 48.00	DELIVERY/COURIER SERVICE	0000409750-438
317	1998-10-30	149650	2461	UNITED PARCEL SERVICE	\$ 114.10	DELIVERY/COURIER SERVICE	0000408072-438
318	1998-10-31	149884	39	ALE 8 ONE BOTTLING COMPANY	\$ 231.88	REFRESHMENTS/VENDING MACHINE	66000
319	1998-10-31	149734	758	DELTA NATURAL GAS - 20	\$ 56.91	MISC OFFICE SUPPLIES	REIMB 10/98
320	1998-10-31	150223	1522	LOWES BUSINESS ACCOUNT	\$ 10.39	27" VINYL FLOOR RUBBER	82130181011831
321	1998-10-31	149796	3189	MCCAY, TOM	\$ 2.51	MISC OFFICE SUPPLIES	EXPENSE 10/98
322	1998-10-31	150353	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	13003890 R MILLER
323	1998-10-31	150353	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	19001336 T MCCAY
324	1998-10-31	150353	3334	NATIONAL CITY	\$ 87.85	PHOTO ALBUMS, ARMENIA VISIT, WATER PITCHER, DIRECTORS MTG	10006276
325	1998-10-31	150353	3334	NATIONAL CITY	\$ 106.67	JIM NELSON- MISC ENGINEERING	11026043
326	1998-10-31	149822	2167	SHEARER, STEVEN	\$ 2.10	MISC OFFICE SUPPLIES	EXPENSE 10/98
327	1998-11-05	149863	2046	REES OFFICE PRODUCTS	\$ 198.45	SIR-CUB-AO MOBILE WORKSTATION	156574-0
328	1998-11-12	150484	1816	OFFICE COFFEE SYSTEMS	\$ 38.50	COFFEE OFFICE	42942
329	1998-11-12	150484	1816	OFFICE COFFEE SYSTEMS	\$ 56.00	COFFEE OFFICE	42943
330	1998-11-17	150227	1543	MADISON GROCERY COMPANY INC	\$ 346.76	MISC OFFICE SUPPLIES	620203
331	1998-11-17	150353	3334	NATIONAL CITY	\$ 10.45	RICHARD YEARY - SURVEY SUPPLIES	10024832
332	1998-11-17	150353	3334	NATIONAL CITY	\$ 14.82	MISC OFFICE SUPPLIES	11020251 C KING

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LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
333	1998-11-17	150353	3334	NATIONAL CITY	\$ 25.00	ANNUAL FEE	13004864 B RAMSEY
334	1998-11-18	150554	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 40.00	OFFICE SUPPLIES	LJ5972
335	1998-11-20	150099	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
336	1998-11-20	150353	3334	NATIONAL CITY	\$ 18.55	JOHN BROWN - ACCOUNTING SUPPLIES	19004885
337	1998-11-25	150481	3334	NATIONAL CITY	\$ 13.47	COMPUTER - SELF STUDY COURSE	10021069
338	1998-11-25	150481	3334	NATIONAL CITY	\$ 199.00	COMPUTER - SELF STUDY COURSE	10021069
339	1998-11-25	150836	1816	OFFICE COFFEE SYSTEMS	\$ 29.50	COFFEE OFFICE	43796
340	1998-11-25	150836	1816	OFFICE COFFEE SYSTEMS	\$ 481.32	COFFEE OFFICE	43795
341	1998-11-30	150684	39	ALE 8 ONE BOTTLING COMPANY	\$ 225.05	REFRESHMENTS/VENDING MACHINE	66000
342	1998-11-30	151205	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800
343	1998-11-30	150537	102	ARCHAMBEAULT, JAMES	\$ 826.80	PICTURES FOR NEW OWINGSVILLE OFFICE	JA0066
344	1998-11-30	150690	126	ASSOCIATED BAG COMPANY	\$ 119.10	MISC OFFICE SUPPLIES	M168432
345	1998-11-30	151228	301	BISSELL'S INC	\$ 48.96	CLEANING SUPPLIES	10870
346	1998-11-30	150545	363	BRIDGES & LANE	\$ 24.11	MISC OFFICE ITEMS	NOV 98
347	1998-11-30	150570	758	DELTA NATURAL GAS - 20	\$ 20.00	MISC OFFICE SUPPLIES	REIMB 11/98
348	1998-11-30	150748	2595	DELTA NATURAL GAS - 20	\$ 88.47	MISC OFFICE SUPPLIES	208505
349	1998-11-30	150821	3189	MCCAY, TOM	\$ 2.00	MISC OFFICE SUPPLIES	EXPENSE 11/98
350	1998-11-30	150670	1758	NATIONAL BUSINESS FURNITURE INC	\$ 439.00	40161 6" CONFERENCE TABLE - MEDI	C28544-BEL
351	1998-11-30	150670	1758	NATIONAL BUSINESS FURNITURE INC	\$ 129.00	44032 42" SQUARE TABLE-MEDIUM	C28534-VIR
352	1998-11-30	150670	1758	NATIONAL BUSINESS FURNITURE INC	\$ 149.75	51004 STACK CHAIRS - BURGUNDY	C28534-VIR
353	1998-11-30	150670	1758	NATIONAL BUSINESS FURNITURE INC	\$ 1,112.00	52012 ARM CHAIRS W/SLED BASE -	C28544-BEL
354	1998-11-30	150671	3334	NATIONAL CITY	\$ 28.43	ALAN HEATH - MISC OPERATING SUPPLIES	11004206
355	1998-11-30	150671	3334	NATIONAL CITY	\$ 43.53	JOHN HALL - MISC FOR TREASURY DEPT	10025201
356	1998-11-30	151456	3334	NATIONAL CITY	\$ 14.14	JIM NELSON- MISC ENGINEERING	1102 6043

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

Account 1.921.06 - Miscellaneous Other Items

ITEM 56 - AUG 921.06
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AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
357	1998-11-30	150880	2461	UNITED PARCEL SERVICE	\$ 70.55	DELIVERY/COURIER SERVICE	0000408072-488
358	1998-11-30	150880	2461	UNITED PARCEL SERVICE	\$ 78.16	DELIVERY/COURIER SERVICE	0000409750-488
359	1998-12-09	151579	1816	OFFICE COFFEE SYSTEMS	\$ 37.95	COFFEE OFFICE	44330
360	1998-12-09	151579	1816	OFFICE COFFEE SYSTEMS	\$ 120.96	COFFEE OFFICE	44332
361	1998-12-09	151579	1816	OFFICE COFFEE SYSTEMS	\$ 153.90	COFFEE OFFICE	44331
362	1998-12-15	151748	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 206.00	MISC OFFICE SUPPLIES	1952
363	1998-12-16	151630	1531	LYNN BLUE PRINT & SUPPLY	\$ 470.00	CABINET FOR OFFICE	105469
364	1998-12-16	151633	3334	NATIONAL CITY	\$ 6.70	RICHARD YEARY - SURVEY SUPPLIES	10024832
365	1998-12-16	151369	2113	RUPARD, MARY V.	\$ 31.69	CHRISTMAS CARDS	CHRISTMAS CARDS
366	1998-12-18	151216	3539	BATH COUNTY MEDICAL CLINIC	\$ 17.25	RECORDS FEE FOR CO LIFE INS	JCAUDILL-RECORD
367	1998-12-18	151243	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 178.50	PRINTED MATERIALS	LJ5593
368	1998-12-18	151263	734	DAVIS MD, WILLIAM S	\$ 15.00	RECORDS FEE FOR CO LIFE INS	52770
369	1998-12-18	151449	1522	LOWES BUSINESS ACCOUNT	\$ 19.78	TILEBOARD	82130181011831
370	1998-12-18	151456	3334	NATIONAL CITY	\$ 109.10	ITEMS FOR SHAREHOLDERS MTG	1000 6276 E BENNETT
371	1998-12-18	151456	3334	NATIONAL CITY	\$ 92.30	JONATHAN MORPHEW - ENGINEERING MISC SUPPLIES	1002 5392
372	1998-12-18	151353	1919	PINNACLE FAMILY PRACTICE ASSOCIATES	\$ 25.00	RECORDS FEE FOR CO LIFE INS	RECORDS FEE
373	1998-12-22	151527	900	FEDERAL EXPRESS CORP	\$ 56.75	DELIVERY/COURIER SERVICE	7-510-55649
374	1998-12-22	151569	1543	MADISON GROCERY COMPANY INC	\$ 316.39	MISC OFFICE SUPPLIES	624013
375	1998-12-23	151711	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 203.75	PRINTED MATERIALS	LJ5586
376	1998-12-23	151897	2318	STATEWIDE JANITORIAL SUPPLIES INC	\$ 72.00	MISC OFFICE SUPPLIES	1976
377	1998-12-28	151872	1816	OFFICE COFFEE SYSTEMS	\$ 39.95	COFFEE OFFICE	45142
378	1998-12-28	151872	1816	OFFICE COFFEE SYSTEMS	\$ 170.00	COFFEE OFFICE	45141
379	1998-12-29	151740	1950	POSTMASTER - 20	\$ 205.00	POSTAGE	PRMT 00046-001
380	1998-12-30	151928	3334	NATIONAL CITY	\$ 40.12	JOHN HALL - MISC FOR TREASURY DEPT	10025201
381	1998-12-31	151939	39	ALE 8 ONE BOTTLING COMPANY	\$ 231.88	REFRESHMENTS/VENDING MACHINE	66000
382	1998-12-31	152165	39	ALE 8 ONE BOTTLING COMPANY	\$ 20.60	REFRESHMENTS/VENDING MACHINE	409800

DELTA NATURAL GAS COMPANY, INC.

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CASE NO. 99-176

For 12 Months Ended 12/31/98
Account 1.921.06 - Miscellaneous Other Items

AC # 192106 - MISCELLANEOUS OTHER ITEMS

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	DESCRIPTION	INVOICE ID
383	1998-12-31	151977	497	CHAPMAN PRINTING COMPANY INC, THE	\$ 178.50	PRINTED MATERIALS	LJ6711
384	1998-12-31	151980	508	CINTAS - UNIFORM PEOPLE	\$ 36.80	FLOOR MATS FOR OFFICE	312-10740
385	1998-12-31	151863	1666	MILLER JR., ROBERT C.	\$ 1.20	MISC	EXPENSE 12/98
386	1998-12-31	151928	3334	NATIONAL CITY	\$ 73.10	VIRGIL SCOTT - MISC OFFICE SUPPLIES	11001533
387	1998-12-31	151928	3334	NATIONAL CITY	\$ 411.72	STEVE BILLINGS - MISC OFFICE SUPPLIES	10025110
388	1998-12-31	152449	3334	NATIONAL CITY	\$ 15.88	H D PEET , MISC OFFICE	10013785
389	1998-12-31	151884	2046	REES OFFICE PRODUCTS	\$ 302.63	OFFICE SUPPLIES	6171
390	1998-12-31	151884	2046	REES OFFICE PRODUCTS	\$ (174.90)	6A-HON-5905AB621 TASK SWIVEL	C159354-0
391	1998-12-31	151903	2461	UNITED PARCEL SERVICE	\$ 49.57	DELIVERY/COURIER SERVICE	0000408072-528
392	1998-12-31	151903	2461	UNITED PARCEL SERVICE	\$ 121.93	DELIVERY/COURIER SERVICE	0000409750-528
393	1998-12-31	151913	2636	YEARY, CHARLES R.	\$ 2.00	MISC SURVEY MATERIAL	EXPENSE 12/98
394	FREIGHT, SHIPPING, DISCOUNT, TAX SET OUT SEPARATE ON ABOVE ITEMS NOT INCLUDED ABOVE				\$ 899.20		
395	TOTAL ACCOUNTS PAYABLES				\$ 66,200.71		

396

397

397	BOOK AMORTIZATION OF EXPENSES	\$ 87,600.00
398	BILLING RESULTING FROM SALES TAX AUDIT ; ELMO GREER; VM&M MINING; KY LEATHER	\$ (46,490.97)
399	ACCURAL FOR SALES TAX AUDIT	\$ 26,352.22
400	RECORD SALES TAX ON COMPANY GAS USAGE	\$ 32,869.00
401	BANK CHARGES; ANALYSIS FEES	\$ 12,698.29
402	REFUNDS, REIMBURSEMENTS BILLED TO OTHERS	\$ (4,766.28)
403	TOTAL AC 192106 CAL YR 1998	\$ 174,462.97

DELTA NATURAL RESOURCES COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/99

AC 1.921.07 - Employee Memberships

ITEM 56- AC 1.921.07

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INVOICE ID

Line Description

AMOUNT

Check # Vendor # Vendor Name

LINE NO DATE

LINE NO	DATE	Check #	Vendor #	Vendor Name	AMOUNT	Line Description	INVOICE ID
1	1998-07-01	145905	69	AMERICAN INSTITUTE OF CPA'S	\$ 120.00	GLENN JENNINGS/JOHN BROWN	1022667-8
2	1998-07-06	146081	0	APA	\$ 125.00	DONNA STONEKING/PAYROLL	66924
3	1998-12-15	151212	0	AUGI MEMBERSHIP	\$ 35.00	BRIAN POTTER/AUTOCAD	8720
4	1998-03-17	142822	644	CORBIN ROTARY CLUB	\$ 360.00	GERALD BAKER/MEMBERSHIP	112662
5	1998-09-16	148263	644	CORBIN ROTARY CLUB	\$ 360.00	JIM POTTER/MEMBERSHIP	112708
6	1998-10-22	149335	959	FULLER, DONNA	\$ 45.00	DONNA FULLER/KIWANIS	KIWANIS
7	1998-11-30	150786	1224	INTERNATIONAL RIGHT OF WAY ASSOC	\$ 140.00	JIM NELSON/MEMBERSHIP	1012911
8	1998-02-17	142125	3479	INVESTOR COMMUNICATIONS BUS	\$ 186.00	ANNUAL REPOST EARNINGS SERVICE	5199
9	1998-11-03	149780	0	KENTUCKY PRESS	\$ 250.00	ROBERT HAZELRIGG/DUES	0000018
10	1998-07-23	146672	0	KENTUCKY PRESS ASSOCIATION INC.	\$ 125.00	ROBERT HAZELRIGG/1/2 YR MEMB	MEMBERSHIP
11	1998-01-31	141778	1354	KENTUCKY SAFETY & HEALTH NETWORK INC	\$ 30.00	JIM POTTER/MEMBERSHIP	98 MEMBERSHIP
12	1998-07-31	146673	1356	KENTUCKY SOCIETY OF CPA'S	\$ 160.00	GLENN JENNINGS/MEMBERSHIP	MEMBERSHIP-6/99
13	1998-11-04	149781	1356	KENTUCKY SOCIETY OF CPA'S	\$ 160.00	JOHN BROWN/MEMBERSHIP	MEMBERSHIP-6/99
14	1998-05-20	144595	3111	KENTUCKY STATE BOARD OF ACCOUNTANCY	\$ 100.00	GLENN JENNINGS/MEMBERSHIP	CERT. NO. 1930
15	1998-05-20	144595	3111	KENTUCKY STATE BOARD OF ACCOUNTANCY	\$ 100.00	JOHN BROWN/MEMBERSHIP	CERT. NO. 5396
16	1998-06-17	145480	1358	KENTUCKY STATE BOARD OF REGISTRATION	\$ 90.00	JIM NELSON/PROFESSIONAL ENGINEERS	20-7462
17	1998-08-21	147517	1422	KENTUCKY STATE TREASURER	\$ 25.00	WILLIAM SHARP/MEMBERSHIP	206987
18	1998-10-21	149372	1749	N S P E	\$ 178.00	JIM NELSON/PROFESSIONAL ENGINEERS	207464
19	1998-03-30	143261	1737	NACE INTERNATIONAL	\$ 90.00	CHARLES HONAKER/MEMBERSHIP	128812-00
20	1998-06-24	145807	1737	NACE INTERNATIONAL	\$ 90.00	LONNIE OWENS/MEMBERSHIP	140385-00
21	1998-06-24	145807	1737	NACE INTERNATIONAL	\$ 115.00	STEVEN DOOLEY/MEMBERSHIP	010122-00
22	1998-06-24	145807	1737	NACE INTERNATIONAL	\$ 115.00	RONALD AZBILL/MEMBERSHIP	026916-00
23	1998-07-23	146706	1737	NACE INTERNATIONAL	\$ 115.00	SPENCER FOLEY/MEMBERSHIP	042812-00
24	1998-12-31	152064	1737	NACE INTERNATIONAL	\$ 115.00	GERALD POWELL/MEMBERSHIP	049663-00

DELTA NATURAL RESOURCES COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/99

AC 1.921.07 - Employee Memberships

LINE NO DATE Check # Vendor # Vendor Name AMOUNT Line Description INVOICE ID

25	1998-06-30	146824	3334	NATIONAL CITY	\$ 35.00	JONATHAN MORPHEW/MEMBERSHIP	1002 5392
26	1998-10-16	149378	0	OWINGSVILLE KIWANIS CLUB	\$ 80.00	DENNIS THOMAS/MEMBERSHIP	98-99 DUES
27	1998-03-13	142918	2041	RED RIVER HISTORICAL SOCIETY & MUSEUM	\$ 10.00	JAMES MARTIN/MEMBERSHIP	052407
28	1998-11-30	150633	2840	SIDWELL, MARJORIE	\$ 45.00	MARJORIE SIDWELL/MEMBERSHIP	KIWANIS
29	1998-10-28	149643	2314	STANTON WOMAN'S CLUB	\$ 30.00	WANDA CLARK/LINDA NOLAN/MEMBERSHIP	052468
30	1998-01-06	141028	2431	TREASURER - WINCHESTER ROTARY CLUB	\$ 75.00	ROBERT HAZELRIGG/MEMBERSHIP	SIX MTHS 6/98
31	1998-06-17	145540	2431	TREASURER - WINCHESTER ROTARY CLUB	\$ 75.00	ROBERT HAZELRIGG/MEMBERSHIP	7/98-12/98
32	1998-04-07	143466	2571	WILLIAMSBURG KIWANIS CLUB	\$ 60.00	JERRY POWERS/MEMBERSHIP	072825
33	1998-10-21	149412	2571	WILLIAMSBURG KIWANIS CLUB	\$ 60.00	JERRY POWERS/MEMBERSHIP	072866
34	1998-06-04	145124	0	WINCHESTER ALTRUSA CLUB	\$ 50.00	JUANITA HENSLEY/MEMBERSHIP	98 DUES
35	1998-02-17	142228	0	WINCHESTER CIVITAN CLUB	\$ 54.00	MARJORIE SIDWELL/MEMBERSHIP	98 DUES
36				TOTAL AC 1.921.07	\$ 3,803.00		

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For 12 Months Ended 12/31/98

AC 1.926.08 - Employee Recreational Social

Line No.

1
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Social Events & Parties
Account # 1.926.08 - Employee Recreation & Social

DATE	CHECK #	VENDOR	VENDOR #	AMOUNT	DESCRIPTION
11/30/1998	150671	NATIONAL CITY	3334	\$ 56.32	HALLOWEN PARTY FOOD
12/04/1998	150649	WHITE, AL		\$ 250.00	PRE DINNER MUSIC/CHRISTMAS MEETING
12/04/1998	150611	MELROOD, ELYSE		\$ 150.00	PRE DINNER MUSIC/CHRISTMAS MEETING
12/04/1998	150652	WITHERSPOON, DAVID		\$ 200.00	PRE DINNER MUSIC/CHRISTMAS MEETING
12/31/1998	151928	NATIONAL CITY		\$ 77.18	COMPANY CHRISTMAS DINNER
12/31/1998	151851	JENNINGS, GLENN R	1260	\$ 38.18	COMPANY CHRISTMAS DINNER
12/31/1998	151928	NATIONAL CITY	3334	\$ 74.16	COMPANY CHRISTMAS DINNER
12/31/1998	151928	NATIONAL CITY	3334	\$ 368.21	COMPANY CHRISTMAS DECORATIONS
		TOTAL A/C # 1.926.08		\$ 1,214.05	

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

57. With regard to the 1998 Travel Etc expenses booked in A/C 1.921.21 through 1.921.26, please provide the following information:
- a. Provide all spousal travel expenses included in the total expenses for these accounts.
 - b. Provide all details and brief descriptions for the expenses booked in each of these 1.921 accounts. Details should include reason for travel, travel destination and expenses broken out by each trip.

RESPONSE:

- a. See Attached
- b. See Attached

Sponsoring Witness:

John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Item 57a

Line No. SPOUSAL TRAVEL EXPENSES INCLUDED IN AC 1.921.21

1							
2	1998-01-01	140659	603 COMMONWEALTH TRAVEL AGENCY INC	LINDA JENNINGS	AGA, SGA SMALL MEMBER COUNCIL TX	DALLAS,	404.00

LINE NO	ACCOU NT #	DATE	CK #	VEND OR #	VENDOR NAME	DESCRIPTION	REASON FOR TRAVEL	DESTINATION	AMOUNT
1	1.921.21	1998-01-01	140659	603	COMMONWEALTH TRAVEL AGENCY INC	LINDA JENNINGS	AGA, SGA SMALL MEMBER COUNCIL	DALLAS, TX	404.00
2	1.921.21	1998-01-01	140659	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	AGA, SGA SMALL MEMBER COUNCIL	DALLAS, TX	541.00
3	1.921.21	1998-01-22	141281	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA EXECUTIVE CONF & BOARD MTG	HYATT GRAND, ORLANDO, FL	709.29
4	1.921.21	1998-01-22	141487	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	ATLANTA GAS LIGHT MTG, SGA MATERIALS MTG, NAIC ATLANTA REGIONAL INVESTOR MTG	ATLANTA, GA ; JACKSONVILLE, FL ; BIRMINGHAM, AL	1,001.00
5	1.921.21	1998-01-22	141487	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA MANAGEMENT CONFERENCE	SAVANNAH, GA	192.00
6	1.921.21	1998-01-22	141487	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA MANAGEMENT CONFERENCE	SAVANNAH, GA	192.00
7	1.921.21	1998-01-23	141503	3334	NATIONAL CITY	GLENN JENNINGS	TRANSPORTATION FOR AGA MEETING	DALLAS, TX	846.00
8	1.921.21	1998-01-31	142025	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA COORDINATING COUNCIL MTG	BELGRADE, MT	169.50
9	1.921.21	1998-02-02	141674	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	AGA INVESTMENT FINANCE BOARD MTG	W YELLOWSTONE, MT	381.67
10	1.921.21	1998-02-25	142817	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA INVESTMENT FINANCE BOARD MTG	DALLAS, TX	846.00
11	1.921.21	1998-03-06	142817	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NARUC WINTER MTG	WASHINGTON,DC	232.00
12	1.921.21	1998-03-18	142965	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA SMALL MEMBER COUNCIL	WASHINGTON,DC	250.00
13	1.921.21	1998-03-18	142817	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NARUC WINTER MTG	WASHINGTON,DC	687.24
14	1.921.21	1998-03-31	143240	1260	JENNINGS, GLENN R	GLENN JENNINGS	ED JONES/ SALE OF DEBENTURES	ST LOUIS, MO	304.00
15	1.921.21	1998-04-23	143856	58	AMERICAN EXPRESS	GLENN JENNINGS	PARKING AT AIRPORT. TAXIS AND TRAIN	LEXINGTON, KY ; DALLAS, TX ; WASHINGTON, DC ; ATLANTA, GA	324.25
16	1.921.21	1998-04-23	143856	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA SMALL MEMBER COUNCIL	ARLINGTON, VA	264.20
17	1.921.21	1998-04-23	143856	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA MTG CONFERENCE	SAVANNAH, GA	280.25
18	1.921.21	1998-04-28	144080	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA PRESIDENTS ROUND TABLE	DALLAD, TX	296.50
19	1.921.21	1998-04-30	144149	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SALE OF DEBENTURES. SGA PRESIDENTS ROUND TABLE	DALLAS, TX	973.00
							SEARUC ANNUAL MTG	BILOXI, MS	345.00

LINE NO	ACCOU NT #	DATE	CK #	VEND OR #	VENDOR NAME	DESCRIPTION	REASON FOR TRAVEL	DESTINATION	AMOUNT
20	1.921.21	1998-06-05	144995	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NARUC SUMMER MTG	SEATTLE, WA	322.00
21	1.921.21	1998-06-05	144995	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	VISIT TO NATUR GAS: MIDNORD/GAS INDUSTRY	COPENHAGEN/ KARUP	125.26
22	1.921.21	1998-06-19	145587	3334	NATIONAL CITY	H D PEET	AVIS RENT A CAR	MONTGOMERY, AL	55.24
23	1.921.21	1998-06-26	145714	58	AMERICAN EXPRESS	GLENN JENNINGS	MTG EDWARD JONES- STOCK	MINNEAPOLIS, MN	137.62
24	1.921.21	1998-06-26	145714	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA INVESTMENTS COMMITTEE	ATLANTA, GA	228.00
25	1.921.21	1998-06-26	145714	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA PRESIDENTS ROUND TABLE	IRVING, TX	432.90
26	1.921.21	1998-06-30	145974	1260	JENNINGS, GLENN R	GLENN JENNINGS	TAXIS:TIPS-SEARUC MEETING:PARKING AT AIRPORT	DALLAS, TX; ST LOUIS,MO; BILOXI, MS;LEXINGTON, KY	131.00
27	1.921.21	1998-07-17	146510	58	AMERICAN EXPRESS	GLENN JENNINGS	SEARUC ANNUAL MTG	BILOXI, MS	106.12
28	1.921.21	1998-07-17	146510	58	AMERICAN EXPRESS	GLENN JENNINGS	SEARUC ANNUAL MTG	BILOXI, MS	246.00
29	1.921.21	1998-07-17	146510	58	AMERICAN EXPRESS	GLENN JENNINGS	SPEAKER GAS INDUSTRY TRIP TO DENMARK	ATLANTA, GA	80.33
30	1.921.21	1998-07-31	147388	58	AMERICAN EXPRESS	GLENN JENNINGS	NARUC SUMMER MTG	SEATTLE, WA	717.76
31	1.921.21	1998-09-24	148468	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA RATE & GOVNT RELATIONS MTG; NARUC - ANNUAL MTG	ORLANDO, FL LAS VEGAS, NV	322.74
32	1.921.21	1998-09-25	148462	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA INVESTMENT ADVISORY	DALLAS, TX	558.68
33	1.921.21	1998-09-30	149117	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	REFUND		-45.40
34	1.921.21	1998-09-30	148717	1260	JENNINGS, GLENN R	GLENN JENNINGS	TOLL-SGA MEETING: TAXIS-NARUC & NNM MEETINGS:PARKING AT AIRPORT	NASHVILLE, TN; SEATTLE, WA; LEXINGTON, KY	173.50
35	1.921.21	1998-10-16	149238	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA SMALL MEMBER COUNCIL	SAN ANTONIO, TX	185.68
36	1.921.21	1998-10-16	149238	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA EXECUTIVE CONFERENCE & BD MTG	PINE HURST, SC	334.00
37	1.921.21	1998-10-16	149238	58	AMERICAN EXPRESS	GLENN JENNINGS	CANCELLED TRIP	LAS VEGAS, NV	-421.83
38	1.921.21	1998-10-16	149117	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA EXECUTIVE CONFERENCE & BD MTG	RALEIGH/DURHAM, NC	189.00
38	1.921.21	1998-10-16	149117	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA EXECUTIVE CONFERENCE & BD MTG	RALEIGH/DURHAM, NC	189.00

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
For the 12 Months Ended 12/31/98

LINE NO	ACCOU NT #	DATE	CK #	VEND OR #	VENDOR NAME	DESCRIPTION	REASON FOR TRAVEL	DESTINATION	AMOUNT
39	1.921.21	1998-10-31	150353	3334	NATIONAL CITY	H D PEET	COMPANY MEETING	MORROW, GA; ATLANTA, GA	124.88
40	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA AUDIT COMMITTEE	SAN ANTONIO, TX FREDERICKSBURG, TX	106.94
41	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA SMALL MEMBER COUNCIL		305.10
42	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	NAIC MEETING FOR 1999	NASHVILLE, TN	555.63
43	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	NARUC ANNUAL MTG	ORLANDO, FL	463.98
44	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA EXECUTIVE CONFERENCE & BD MTG	PINEHURST, SC	445.00
45	1.921.21	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA SALES & REGULATORY	POINT CLEAR, AL BILOXI, MS, RALEIGH, NC	282.97
46	1.921.21	1998-11-30	151418	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA RATES & INVESTORS		192.43
47	1.921.21	1998-12-01	150423	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	MTG HAND & ASSOC	HOUSTON, TX	248.00
48	1.921.21	1998-12-04	150730	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	AGA BOARD OF DIRECTORS MTG	CHICAGO, IL	143.00
49	1.921.21	1998-12-04	150730	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NARUC COMMITTEE: SGA GAS MEETING; AGA EXECUTIVE MTG	NEW ORLEANS, LA; WASHINGTON, DC	412.50
50	1.921.21	1998-12-17	151252	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NAIC ATLANTA CHAPTER MTG	ATLANTA, GA	218.00
51	1.921.21	1998-12-17	151252	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	SGA INVESTMENTS ADVISORY/FINANCE COMMITTEE	DALLAS, TX	297.00
52	1.921.21	1998-12-22	151505	603	COMMONWEALTH TRAVEL AGENCY INC	GLENN JENNINGS	NARUC WINTER MTG	WASHINGTON,DC	372.00
53	1.921.21	1998-12-31	151851	1260	JENNINGS, GLENN R	GLENN JENNINGS	MEALS AND TIPS FOR SGA EXEC CONF:SGA RATES & GOVERN RELATIONS	PINEHURST, NC; ORLANDO, FL	88.50
54	1.921.22	1998-01-22	141487	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	MTG WITH ALGASCO RE: RATE STABILIZATION & EQUALIZATION RATE	BIRMINGTON, AL	692.00
55	1.921.22	1998-01-30	141581	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	SGA MEETING	SAVANNAH, GA	336.00
56	1.921.22	1998-02-17	142817	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	REFUND/RE: RATE STABILIZATION	BIRMINGTON, AL	-692.00
57	1.921.22	1998-03-31	143371	1112	HAZELRIGG, ROBERT	PARKING	SGA MEETING	LEXINGTON, KY	17.50
58	1.921.22	1998-03-31	143551	1107	HEATH, ALAN	ALAN HEATH	PARKING -TGT & KGA MEETINGS	LEXINGTON, KY	26.00
59	1.921.22	1998-03-31	143890	3334	NATIONAL CITY	JOHN HALL	LODGING FOR SGA MGMT MEETING	HILTON HEAD, SC	355.50

LINE NO	ACCOU NT #	DATE	CK #	VEND OR #	VENDOR NAME	DESCRIPTION	REASON FOR TRAVEL	DESTINATION	AMOUNT
60	1.921.22	1998-03-31	143301	3334	NATIONAL CITY	ROBERT HAZELRIGG	TRANSP & LODGING FOR SGA & KIDC MEETINGS	SAVANNAH, GA: HILTON HEAD, SC & MAYSVILLE, KY	919.26
61	1.921.22	1998-04-29	144080	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	CLOSING/SALE OF DEBENTURES	ST LOUIS, MO	196.00
62	1.921.22	1998-04-30	144186	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	PARKING FEE FOR SGA MEETING	AIRPORT, LEXINGTON, KY	72.75
63	1.921.22	1998-05-31	145143	3334	NATIONAL CITY	ROBERT HAZELRIGG	LODGING FOR KIDC MEETING	ASHLAND, KY	64.42
64	1.921.22	1998-06-30	146324	3334	NATIONAL CITY	ROBERT HAZELRIGG	GAS SUPPLY MTG WITH ENRON AND KIDC MEETING	WORTHINGTON, OH; LOUISVILLE, KY	190.10
65	1.921.22	1998-06-30	146324	3334	NATIONAL CITY	ALAN HEATH	VALET PARKING FOR KGA MEETING	LEXINGTON, KY	25.84
66	1.921.22	1998-07-31	147091	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	AIRLINE TICKET	CHARLESTON, SC	201.00
67	1.921.22	1998-08-21	147459	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	AGA INVESTORS RELATIONS CONFERENCE	NEW YORK, NY	860.00
68	1.921.22	1998-08-31	147910	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	TAXI:MISC EXP. AIRPORT PARKING	CHARLESTON, SC; LEXINGTON, KY	54.50
69	1.921.22	1998-08-31	147912	1107	HEATH, ALAN	ALAN HEATH	PARKING FOR KGA MEETING	LOUISVILLE, KY	8.00
70	1.921.22	1998-08-31	148022	3334	NATIONAL CITY	ROBERT HAZELRIGG	SO LEGISLATURE CONF	CHARLESTON, SC	533.62
71	1.921.22	1998-09-22	148468	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	SGA RATE & GOVNT RELATIONS MTG; NARUC - ANNUAL MTG	MOBILE, AL; ORLANDO, FL	308.87
72	1.921.22	1998-09-30	148895	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	AIRLINE TICKET-SGA. AIRPORT PARKING	MOBILE, AL; LOUISVILLE, KY	447.20
73	1.921.22	1998-09-30	149050	3334	NATIONAL CITY	ROBERT HAZELRIGG	LODGING FOR KIDC MEETING; L G & E MEETING	LUCAS, KY; LOUISVILLE, KY	193.24
74	1.921.22	1998-09-30	149050	3334	NATIONAL CITY	JOHNNY CAUDILL	LODGING, CAB AND PARKING FOR SGA CONFERENCE	AUSTIN, TEXAS; LEXINGTON, KY	391.27
75	1.921.22	1998-10-22	149450	3334	NATIONAL CITY	JOHN HALL	LODGING AND PARKING FOR AGA AND NARUC MEETINGS	NEW YORK, NY; INDIANAPOLIS, IN; PITTSBURGH, PA; LEXINGTON, KY	1,240.44

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76	1.921.22	1998-10-31	149722	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	NARUS-DOE CONFERENCE	PITTSBURGH, PA	697.00
77	1.921.22	1998-10-31	149763	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	PARKING-ADCOM WIRE;MOREHEAD IND	LEXINGTON, KY	91.50
78	1.921.22	1998-11-18	150150	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	AUTH:AMERICAN GREETING	CHICAGO, IL	133.00
							AALLP SEMINAR		
79	1.921.22	1998-11-25	0	3224	HALL, JOHN	JOHN HALL	TAXI'S PARKING; TIPS/ AGA ; NARUC; SGA	NEW YORK, NY; INDIANAPOLIS, IN; PITTSBURGH, PA; ORLANDO, FL	225.00
80	1.921.22	1998-11-30	150586	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	TAXI AND PARKING FOR SGA MEETING	MOBILE, AL; LEXINGTON, KY	16.25
81	1.921.22	1998-11-30	150671	3334	NATIONAL CITY	ROBERT HAZELRIGG	SGA ROUNDTABLE	POINT CLEAR, AL	372.61
82	1.921.22	1998-12-01	150423	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN HALL	MTG HAND & ASSOC	HOUSTON, TX	248.00
83	1.921.22	1998-12-22	151505	603	COMMONWEALTH TRAVEL AGENCY INC	JOHNNY CAUDILL	401K & PENSION; HAND & ASSOC	HOUSTON, TX	248.00
84	1.921.22	1998-12-22	151633	3334	NATIONAL CITY	JOHN HALL	LODGING, CAR RENTAL AND PARKING FOR SGA & NARUC CONFERENCES	POINT CLEAR, AL; BILOXI, MS; ORLANDO, FL; LEXINGTON, KY	1,698.13
85	1.921.23	1998-01-14	141235	2423	TRAVEL SHOPPE, THE	JAMES POTTER	SGA DISTRICT COMMITTEE MEETING	ORLANDO, FL	172.00
86	1.921.23	1998-01-21	141426	2032	RAMADA INN	RICHARD YEARY AND BRIAN POTTER	FIELD WORK	LONDON, KY	47.00
87	1.921.23	1998-01-23	141503	3334	NATIONAL CITY	R YEARY	WO 512121	BARBOURVILLE, KY	47.17
88	1.921.23	1998-01-28	141629	2032	RAMADA INN	RICHARD YEARY AND MIKE JACOBS	WO 512138	LONDON, KY	33.94
89	1.921.23	1998-01-31	141898	643	DELTA NATURAL GAS - 11	JIM POTTER	PARKING FEE FOR SGA MEETING	AIRPORT; LEXINGTON, KY	14.25
90	1.921.23	1998-01-31	141803	1920	PINE MOUNTAIN STATE RESORT PARK	JONATHAN MORPHEW, BRIAN POTTER AND RICHARD YEARY	FIELD WORK	PINEVILLE, KY	88.24
91	1.921.23	1998-01-31	141803	1920	PINE MOUNTAIN STATE RESORT PARK	JONATHAN MORPHEW, BRIAN POTTER AND RICHARD YEARY	FIELD WORK	PINEVILLE, KY	129.06

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92	1.921.23	1998-01-31	141981	1920	PINE MOUNTAIN STATE RESORT PARK	JONATHAN MORPHEW AND RICHARD YEARLY	MIDDLESBORO MAPPING	PINEVILLE, KY	107.29
93	1.921.23	1998-02-12	141981	1920	PINE MOUNTAIN STATE RESORT PARK	JONATHAN MORPHEW, BRIAN POTTER AND RICHARD YEARLY	FIELD WORK	PINEVILLE, KY	172.22
94	1.921.23	1998-02-20	142262	3334	NATIONAL CITY	JAMES POTTER	SGA MEETING	ORLANDO, FL	299.15
95	1.921.23	1998-02-25	142353	1920	PINE MOUNTAIN STATE RESORT PARK	J. MORPHEW, R. YEARLY, J. HADDIX S. SHEARER & K. STEELE	MAPPING	PINEVILLE, KY	181.80
96	1.921.23	1998-02-28	142716	1920	PINE MOUNTAIN STATE RESORT PARK	R. YEARLY, MORPHEW AND JEFF BOND	WO 525344	PINEVILLE, KY	8.28
97	1.921.23	1998-02-28	142716	1920	PINE MOUNTAIN STATE RESORT PARK	J. MORPHEW, R. YEARLY AND JEFF BOND	WO 525344	PINEVILLE, KY	344.44
98	1.921.23	1998-03-13	142797	285	BEST WESTERN WILDERNESS TRAIL INN	RICHARD YEARLY	SURVEY WORK	BARBOURVILLE, KY	51.62
99	1.921.23	1998-03-18	142915	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARLY, STEVE SHEARER AND JEFF BOND	WO 525344	PINEVILLE, KY	174.45
100	1.921.23	1998-03-27	143091	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARLY, KEVIN STEELE AND JOHN HADDIX	WO 508173	PINEVILLE, KY	148.03
101	1.921.23	1998-03-31	143529	3523	DAYS INN OF LONDON	RICHARD YEARLY	WO 506194	LONDON, KY	46.13
102	1.921.23	1998-03-31	143580	3334	NATIONAL CITY	JAMES NELSON	KGA M & R ROUNDTABLE	LAKE BARKLEY CADIZ, KY	62.13
103	1.921.23	1998-03-31	143890	3334	NATIONAL CITY	JAMES POTTER	SGA COMMITTEE MTG	NASHVILLE, TN;	402.92
104	1.921.23	1998-04-20	143890	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	CORBIN, KY	99.27
105	1.921.23	1998-04-20	143890	3334	NATIONAL CITY	BOBBY COYLE	KGA MEASUREMENT ROUND TABLE	LAKE BARKLEY CADIZ, KY	62.13
106	1.921.23	1998-04-29	143961	3523	DAYS INN OF LONDON	RICHARD YEARLY	PRELIMINARY SURVEY TRANSMISSION LINE	LONDON, KY	46.13
107	1.921.23	1998-05-08	144428	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARLY AND BRIAN POTTER	VALVE IDENTITY PROGRAM	PINEVILLE, KY	66.49
108	1.921.23	1998-05-15	144533	3536	COMFORT SUITES - LONDON	RICHARD YEARLY	SURVEY WORK	LONDON, KY	61.49
109	1.921.23	1998-05-18	144767	3334	NATIONAL CITY	JAMES POTTER	KGA ED COMMITTEE TRAINING	LOUISVILLE, KY	416.72
110	1.921.23	1998-05-18	144767	3334	NATIONAL CITY	DON CARTWRIGHT	KGA SPRING MTG	DUBLIN, OH	138.68

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111	1.921.23	1998-05-19	144655	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY, STEVE SHEARER AND BRIAN POTTER	VALVE IDENTITY PROGRAM	PINEVILLE, KY	210.33
112	1.921.23	1998-05-31	145435	3523	DAYS INN OF LONDON	RICHARD YEARY	WO 511344	LONDON, KY	135.16
113	1.921.23	1998-05-31	145036	1158	HOLIDAY INN	MICHAEL JACOBS	LODGING	CORBIN, KY	456.00
114	1.921.23	1998-05-31	145587	3334	NATIONAL CITY	JAMES NELSON	KGA M & R ROUNDTABLE	LAKE BARKLEY CADIZ, KY	94.18
115	1.921.23	1998-05-31	145587	3334	NATIONAL CITY	JONATHAN MORPHEW	WORK ORDER 511-344	CORBIN, KY	166.18
116	1.921.23	1998-06-11	145211	3523	DAYS INN OF LONDON	MIKE JACOBS; RICHARD YEARY	SURVEY WORK	LONDON, KY	54.10
117	1.921.23	1998-06-12	145210	3480	DAYS INN & SUITES	DON CARTWRIGHT	GAS SUPPLY	MIDDLESBORO, KY	60.63
118	1.921.23	1998-06-17	145855	3334	NATIONAL CITY	JAMES POTTER	COLUMBIA MEETING	WINCHESTER, KY	62.62
119	1.921.23	1998-06-25	145880	3334	NATIONAL CITY	BOBBY COYLE	KGA MEASUREMENT ROUND TABLE	LAKE BARKLEY CADIZ, KY	85.67
120	1.921.23	1998-06-30	145940	3523	DAYS INN OF LONDON	RICHARD YEARY; BRIAN POTTER	ENGINEERING & SURVEY WORK	LONDON, KY	273.31
121	1.921.23	1998-06-30	146324	3334	NATIONAL CITY	ALAN HEATH	KGA ANNUAL MTG	LEXINGTON, KY	156.60
122	1.921.23	1998-06-30	146458	3334	NATIONAL CITY	M V RUPARD	KGA ANNUAL MEETING	LEXINGTON, KY	153.60
123	1.921.23	1998-07-10	146241	1778	NELSON JAMES R.	JAMES NELSON	PASSPORT FEES	ARMENIA	165.00
124	1.921.23	1998-07-17	146391	3523	DAYS INN OF LONDON	RICHARD YEARY; BRIAN POTTER; BILL SHARP	WO 525353	LONDON, KY	280.08
125	1.921.23	1998-07-17	146824	3334	NATIONAL CITY	JAMES POTTER	KGA ANNUAL MTG	LEXINGTON, KY	207.94
126	1.921.23	1998-07-17	146498	2423	TRAVEL SHOPPE, THE	STEVE BILLINGS	MEET WITH EL PASO DESIGNATED END USER SERVICE	MEMPHIS, TN	747.00
127	1.921.23	1998-07-29	146881	3523	DAYS INN OF LONDON	RICHARD YEARY; BRIAN POTTER; BILL SHARP	WO 525353	LONDON, KY	266.19
128	1.921.23	1998-07-31	147089	3578	HAMPTON INN LONDON KY	JOHN HADDIX	ENGINEERING	LONDON, KY	74.17
129	1.921.23	1998-08-18	147639	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	CORBIN, KY	42.11
130	1.921.23	1998-08-18	147570	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	WO 510132	PINEVILLE, KY	76.85
131	1.921.23	1998-08-21	147639	3334	NATIONAL CITY	JAMES POTTER	KGA EDUCATION: OP QUALITY MTG	OWENSBORO, KY	65.02
132	1.921.23	1998-08-26	147863	285	BEST WESTERN WILDERNESS TRAIL INN	RICHARD YEARY	SURVEY WORK	BARBOURVILLE, KY	47.17
133	1.921.23	1998-08-26	147676	3536	COMFORT SUITES - LONDON	BRIAN POTTER	SURVEY WORK	LONDON, KY	233.65
134	1.921.23	1998-09-17	148551	3334	NATIONAL CITY	JAMES POTTER	SGA WORKSHOP	NASHVILLE, TN	358.28
135	1.921.23	1998-09-30	148822	294	BILLINGS, GEORGE S	GEORGE BILLINGS	MTG TGP PERSONNEL RE: DEU	MEMPHIS, TN LEXINGTON, KY	27.00

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136	1.921.23	1998-09-30	149050	3334	NATIONAL CITY	STEVE BILLINGS	TGP MEETING	HOUSTON, TX	8.67
137	1.921.23	1998-09-30	149050	3334	NATIONAL CITY	BENNY HENSLEY	WO 525343	LEXINGTON, KY	55.64
138	1.921.23	1998-10-05	149017	2423	TRAVEL SHOPPE, THE	STEVE BILLINGS	TGP MEETING	MEMPHIS, TN	751.00
139	1.921.23	1998-10-20	149317	3536	COMFORT SUITES - LONDON	RICHARD YEARY	SURVEY WORK	LONDON, KY	57.52
140	1.921.23	1998-10-20	149450	3334	NATIONAL CITY	DANNY SHELLY & BOBBY COYLE	INSTALL ELECTRIC IN BLDG AT CANADA MTN	CUMBERLAND GAP, TN	59.41
141	1.921.23	1998-10-22	149450	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	CORBIN, KY	66.04
142	1.921.23	1998-10-28	149566	3536	COMFORT SUITES - LONDON	BRIAN POTTER	MAPPING	LONDON, KY	428.55
143	1.921.23	1998-10-28	149566	3536	COMFORT SUITES - LONDON	RICHARD YEARY/STEVE SHEARER	SURVEY WORK	LONDON, KY	176.14
144	1.921.23	1998-10-30	149861	3334	NATIONAL CITY	STEVE BILLINGS	OGA & KGA GAS SUPPLY COMMITTEE MTG	COLUMBUS, OH	162.40
145	1.921.23	1998-10-31	149703	294	BILLINGS, GEORGE S	GEORGE S BILLINGS	MERIT CASE-STOLL, KEENON & PARK; TGP CUST MTG	LEXINGTON, KY	21.60
146	1.921.23	1998-10-31	149721	3536	COMFORT SUITES - LONDON	RICHARD YEARY; STEVE SHEARER	SURVEY WORK	LONDON, KY	114.48
147	1.921.23	1998-11-17	150353	3334	NATIONAL CITY	JAMES POTTER	KGA EDUCATION COMM MEETING	LOUISVILLE, KY	70.41
148	1.921.23	1998-11-30	151633	3334	NATIONAL CITY	JAMES POTTER	KGA EDUCATION COMM MEETING	PRESONBURG, KY	55.14
149	1.921.23	1998-11-30	150671	3334	NATIONAL CITY	GERALD POWELL AND TOBY HONAKER	PIPE COATING INSPECTION WO 502259	BIRMINGHAM, AL	343.20
150	1.921.23	1998-11-30	150671	3334	NATIONAL CITY	STEVE BILLINGS	SGA FORCASTING SEMINAR	NASHVILLE, TN	347.30
151	1.921.23	1998-11-30	150671	3334	NATIONAL CITY	BENNY HENSLEY	WO 502259	RICHMOND, KY	154.28
152	1.921.23	1998-12-15	151251	3536	COMFORT SUITES - LONDON	RICHARD YEARY; BRIAN POTTER; STEVE SHEARER	WO 525353	LONDON, KY	558.48
153	1.921.23	1998-12-16	151633	3334	NATIONAL CITY	BRIAN RAMSEY	ENRON MEETING	COVINGTON, KY	75.41
154	1.921.23	1998-12-22	151587	1946	POTTER, BRIAN	WO 525353	TOLL	MANCHESTER, KY	1.80
155	1.921.23	1998-12-31	151810	3536	COMFORT SUITES - LONDON	RICHARD YEARY; JOHN HART	WO 525353	LONDON, KY	115.89
156	1.921.23	1998-12-31	152100	2167	SHEARER, STEVEN	STEVE SHEARER	WO 525353	MANCHESTER, KY	18.11
157	1.921.24	1998-01-16	141200	3334	NATIONAL CITY	JEFF STEELE, TOM MCCAY, MIKE ROBINSON & ROBERT MILLER	KGA TRAINING	LOUISVILLE, KY	69.18
158	1.921.24	1998-02-02	141644	2423	TRAVEL SHOPPE, THE	JOULETT	SGA MATERIALS MGMT SUPPLIER CONF	JACKSONVILLE, FL	443.11

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159	1.921.24	1998-03-27	143138	3334	NATIONAL CITY	JOUETT CRAYCRAFT	SGA PURCHASING SEMINAR	JACKSONVILLE, FL	679.83
160	1.921.24	1998-05-31	145143	3334	NATIONAL CITY	JUANITA HENSLEY ROBERT MILLER AND TOM MCKAY	HUMAN RESOURCES BENEFITS	CORBIN, KY	53.50
161	1.921.24	1998-06-30	148458	3334	NATIONAL CITY	MIKE ROBINSON	HBA MEETING	HARDIN, KY	36.58
162	1.921.24	1998-07-10	146268	2091	ROBINSON, MICHAEL	MIKE ROBINSON	PASSPORT FEES	ARMENIA	165.00
163	1.921.24	1998-07-31	147342	3334	NATIONAL CITY	MIKE ROBINSON	KGA MEETING	OWENSBORO, KY	65.72
164	1.921.24	1998-07-31	147188	2423	TRAVEL SHOPPE, THE	J. CAUDILL, J. CRAYCRAFT AND GERALD BAKER	SGA DISTRIBUTION OPERATING CONFERENCE	AUSTIN, TX	666.00
165	1.921.24	1998-08-31	148022	3334	NATIONAL CITY	JEFF STEELE	KGA MEETING	OWENSBORO, KY	64.91
166	1.921.24	1998-08-31	148022	3334	NATIONAL CITY	MIKE ROBINSON	KGA OPERATORS QUALIFICATION WORKSHOP	NASHVILLE, TN	44.15
167	1.921.24	1998-09-18	148435	3334	NATIONAL CITY	JOUETT CRAYCRAFT	SGA PURCHASING ROUNDTABLE	AUSTIN, TEXAS	322.97
168	1.921.24	1998-09-30	149050	3334	NATIONAL CITY	MARY STEELE AND DONNA FULLER	EBMC MEETING	DUBLIN, OH	163.89
169	1.921.24	1998-09-30	149050	3334	NATIONAL CITY	GERALD BAKER	SGA CONFERENCE	AUSTIN, TX	294.76
170	1.921.24	1998-09-30	149050	3334	NATIONAL CITY	MIKE ROBINSON	KGA OPERATORS QUALIFICATION WORKSHOP	NASHVILLE, TN	134.19
171	1.921.24	1998-12-22	151505	603	COMMONWEALTH TRAVEL AGENCY INC	JUANITA HENSLEY	401K & PENSION; HAND & ASSOC	HOUSTON, TX	248.00
172	1.921.25	1998-12-30	151928	3334	NATIONAL CITY	ROBERT HAZELRIGG	KY CHAMBER OF COMMERCE	JAMESTOWN, KY	38.98
173	1.921.25	1998-12-31	151907	2508	WALLER, NELL	NELL WALLER	EASEMENTS	MANCHESTER, KY	1.45
174	1.921.26	1998-02-02	141674	603	COMMONWEALTH TRAVEL AGENCY INC	EMILY BENNETT	NAIC REGIONAL INVESTORS FAIR	ATLANTA, GA	586.00
175	1.921.26	1998-04-28	144080	603	COMMONWEALTH TRAVEL AGENCY INC	EMILY BENNETT	RE:DEBENTURE CLOSING MTG WITH ED JONES	ST LOUIS, MO	204.00
176	1.921.26	1998-05-31	145587	3334	NATIONAL CITY	EMILY BENNETT	PARKING	LEXINGTON, KY	7.00
177	1.921.26	1998-07-21	147459	603	COMMONWEALTH TRAVEL AGENCY INC	EMILY BENNETT	FLIGHT DELAY REFUND	ST LOUIS, MO	-24.75
178	1.921.26	1998-08-05	147188	2423	TRAVEL SHOPPE, THE	DENISA KING	SGA ACCOUNTS PAYABLE ROUNDTABLE	AUSTIN, TX	222.00
179	1.921.26	1998-08-21	147677	603	COMMONWEALTH TRAVEL AGENCY INC	EMILY BENNETT	AGA INVESTORS RELATIONS CONFERENCE	NEW YORK, NY	860.00

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180	1,921,26	1998-08-31	148551	3334	NATIONAL CITY	CONNIE KING AND DENISA KING	SGA AP/ ROUNDTABLE	AUSTIN, TX	286.76
181	1,921,26	1998-09-24	148456	244	BENNETT, EMILY	EMILY BENNETT	AGA/IR WORKSHOP	NEW YORK, NY	39.00
182	1,921,26	1998-09-30	149450	3334	NATIONAL CITY	JOHN HALL AND EMILY BENNETT	AGA INVESTOR RELATIONS WORKSHOP	NEW YORK, NY	570.96
183	1,921,26	1998-10-31	149861	3334	NATIONAL CITY	LARRY CURTIS	ORCOM USERS GROUP MEETING	MYRTLE BEACH, SC	119.91
184	1,921,26	1998-11-01	149647	2423	TRAVEL SHOPPE, THE	LARRY CURTIS	ORCOM USERS GROUP MEETING	WILMINGTON, NC	279.50
185	1,921,26	1998-11-01	149647	2423	TRAVEL SHOPPE, THE	JOHN BROWN AND CINDY JUETT	ORCOM USERS GROUP MEETING	WILMINGTON, NC	414.00
186	1,921,26	1998-11-30	150671	3334	NATIONAL CITY	LARRY CURTIS	ORCOM USERS GROUP MEETING	MYRTLE BEACH, SC	506.25
187	1,921,26	1998-12-01	150423	603	COMMONWEALTH TRAVEL AGENCY INC	JOHN BROWN	ARTHUR ANDERSEN UTILITY UPDATE	CHICAGO, IL	133.00
188	1,921,26	1998-12-16	151252	603	COMMONWEALTH TRAVEL AGENCY INC	EMILY BENNETT	NAIC INVESTORS FAIR	ATLANTA, GA	237.00
189	1,921,26	1998-12-17	151633	3334	NATIONAL CITY	JOHN BROWN AND CINDY JUETT	ORCOM USERS GROUP MEETING	WILMINGTON, NC	545.99
190							REIMBURSEMENTS/REFUNDS/CORRECTIONS		-688.55
191							TOTAL EXPENSE ACCOUNTS 1,921,21 THRU 1,921,26		46,881.04
192									
193									
194									
195									
196									
197									
198									
199									
200									

SUMMARY OF 1,921 ACCOUNTS	
1,921,21	17,069.88
1,921,22	9,975.00
1,921,23	11,561.32
1,921,24	3,451.79
1,921,25	40.43
1,921,26	4,782.62
TOTAL ALL	46,881.04

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Item 57a

Line No. SPOUSAL TRAVEL EXPENSES INCLUDED IN AC 1.921.21

1							
2	1998-01-01	140659	603 COMMONWEALTH TRAVEL AGENCY INC	LINDA JENNINGS	AGA, SGA SMALL MEMBER COUNCIL TX	DALLAS,	404.00

Delta Natural Gas Company, Inc.
Case No. 99-176
Reconciliation of Total Salaries and Wages

Item 44

	1998	1997	1996	1995	1994	1993
Total Salaries & Wages	6,175,661	6,361,132	5,826,952	5,519,409	5,419,856	5,187,795
Stock	(55,924)	(50,786)	(50,921)	(50,169)	(70,802)	(46,479)
Workman's Comp	4,094	5,673	5,023	2,800	2,149	3,211
Benefits Not Earned	1,510					
Accrued Benefits		(3,284)		(8,871)		
Christmas Bonus				17,948	18,584	19,128
Incentive Compensation					354,752	298,217
Loan Forgiveness				24,000	16,000	12,000
Vacation/Personal Accrual				29,856	37,975	29,856
Director's Bonus				2,500		26,500
Compensation (Glenn)					703	
Lobbying Expense					7,500	
Accrual Entry Uncleared	6,125,341	6,312,735	5,781,054	5,537,473	5,786,717	5,530,228
FERC Form 2 amount shown	6,125,333	6,312,735	5,781,054	5,536,819	5,785,303	5,529,795
Unreconciled items	8	0	0	654	1,414	433

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

58. Please provide all underlying details for the 1998 expense amount of \$30,758 for meals and entertainment. Details should include reasons for meals and entertainment, locations, and expenses broken out for each occasion.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

DELTA NATURAL COMPANY, INC.
CASE 9-176
For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
1	1998-01-20	141503	3334	NATIONAL CITY	EMILY BENNETT	PREPARE FOR EMPLOYEE MEETING	RICHMOND, KY	\$25.00
2	1998-01-21	141503	3334	NATIONAL CITY	BRIAN RAMSEY	FRED PRYOR SEMINAR	LEXINGTON, KY	\$7.33
3	1998-01-21	141503	3334	NATIONAL CITY	JOHN BROWN	401K AUDIT	WINCHESTER, KY	\$22.61
4	1998-01-21	141503	3334	NATIONAL CITY	JIM POTTER	OPERATIONS & MAINTENANCE COMMITTEE; COMPUTER TRAINING; STAFF MEETING	WINCHESTER, KY; LEXINGTON, KY; CORBIN, KY	\$149.81
5	1998-01-21	141424	1946	POTTER, BRIAN	RICHARD YEARY	FIELD WORK	DC, LONDON, KY	\$6.69
6	1998-01-21	141426	2032	RAMADA INN	RICHARD YEARY	FIELD WORK	LONDON, KY	\$25.05
7	1998-01-21	141433	2091	ROBINSON, MICHAEL	MIKE ROBINSON; JEFF STEELE	DISCUSS RICHMOND AREA	RICHMOND, KY	\$8.46
8	1998-01-22	141281	58	AMERICAN EXPRESS	GLENN JENNINGS	MTG W/GLYNN GREEN	BOONE TAVERN; BEREA, KY	\$13.78
9	1998-01-22	141406	1694	MOORE, CLAIR	CATERING	FIRST AID TRAINING (15)	CORBIN, KY	\$151.47
10	1998-01-23	141337	2595	DELTA NATURAL GAS - 20		EMPLOYEE BREAKFAST	WINCHESTER, KY	\$30.49
11	1998-01-28	141609	1694	MOORE, CLAIR	CATERING	FIRST AID TRAINING	CORBIN, KY	\$131.88
12	1998-01-28	141614	1778	NELSON, JAMES R.	CORROSION EXPENSE	KGA M & R CONF KSPE MGNT	LAKE BARKLEY, LEXINGTON	\$50.00
13	1998-01-30	141581	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT	FRANKFORT, KY	\$89.70
14	1998-01-30	141840	3334	NATIONAL CITY	ALAN HEATH	OPERATIONS & MAINTENANCE MEETINGS	CORBIN, KY; WINCHESTER, KY; MIDDLESBORO, KY	\$156.50
15	1998-01-30	141840	3334	NATIONAL CITY	ROBERT HAZELRIGG	COLUMBIA GAS MEETING	FRANKFORT, KY	\$12.24
16	1998-01-31	142025	58	AMERICAN EXPRESS	GLENN JENNINGS	AGA COORDINATING COUNCIL MTG	WYELLOWSTONE, MT	\$159.86
17	1998-01-31	141869	333	BOONE TAVERN	G JENNINGS	STRATEGIC MTG	BEREA, KY	\$358.96
18	1998-01-31	141789	1694	MOORE, CLAIR	CATERING	FIRST AID TRAINING(10)	CORBIN, KY	\$93.75
19	1998-01-31	141840	3334	NATIONAL CITY	GERALD BAKER	HARRY SOWDERS RETIREMENT LUNCHEON	CORBIN, KY	\$48.96
20	1998-01-31	141840	3334	NATIONAL CITY	JUANITA HENSLEY	HARRY SOWDERS RETIREMENT LUNCHEON	CORBIN, KY	\$291.00
21	1998-01-31	141969	3334	NATIONAL CITY	LARRY CURTIS	MAINTENANCE TO COMPUTER SYSTEM	MIDDLESBORO, KY; WINCHESTER, KY	\$47.55
22	1998-01-31	141803	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY, J MORPHEW	FIELD WORK	PINEVILLE, KY	\$18.55
23	1998-01-31	141803	1920	PINE MOUNTAIN STATE RESORT PARK	JOHNATHAN MORPHEW	FIELD WORK	PINEVILLE, KY	\$51.42
24	1998-01-31	141981	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY, J HADDIX	FIELD WORK	PINEVILLE, KY	\$73.19

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
25	1998-01-31	141805	1946	POTTER, BRIAN	WENDYS; KROGER	FIELD WORK	BVILLE, KY; MBORO, KY	\$12.60
26	1998-02-11	142262	3334	NATIONAL CITY	TOM MCCOY	MARKETING		\$37.97
27	1998-02-12	141981	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$96.47
28	1998-02-13	142004	2273	SOUTHERN GAS ASSOCIATION	ROBERT HAZELRIGG	SGA TOUR	SAVANNAH, GA	\$100.00
29	1998-02-17	142116	3277	HADDIX, JOHN		MAPPING/ENGINEERING	MIDDLESBORO, KY	\$22.85
30	1998-02-17	142129	3496	JACOBS, MICHAEL		WORK ORDERS 512121; 512138; 506219	MANCHESTER, KY; LONDON, KY	\$18.54
31	1998-02-17	142262	3334	NATIONAL CITY	GLENN JENNINGS	VARIOUS MTGS	WINCHESTER, KY, ETC	\$157.30
32	1998-02-17	142199	2320	STEELE, KEVIN		MAPPING	CHINATOWN CAFE; ARBY'S; HARDEES	\$14.83
33	1998-02-17	142232	2636	YEARY, CHARLES R.		FIELD WORK	BARBOURVILLE, KY PINEVILLE, KY; FLAT LICK, KY	\$67.04
34	1998-02-19	142262	3334	NATIONAL CITY	JONATHAN MORPHEW	ENGINEERING	WINCHESTER, KY	\$50.95
35	1998-02-20	142262	3334	NATIONAL CITY	RICHARD YEARY	SURVEYING	WINCHESTER, KY	\$33.20
36	1998-02-20	142262	3334	NATIONAL CITY	JOHN BROWN	ACCOUNTING AREA	WINCHESTER, KY	\$21.36
37	1998-02-20	142262	3334	NATIONAL CITY	JIM POTTER	CONTINUING EDUCATION TRAINING - O&M; FIRST AID SGA MEETING	CORBIN, KY; ORLANDO, FL	\$219.71
38	1998-02-20	0	2167	SHEARER, STEVEN		MAPPING	MBORO, KY; BARBOUVILLE, KY; PINEVILLE, KY	\$27.05
39	1998-02-25	142353	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$134.38
40	1998-02-28	142426	3284	BOND, JEFFREY A		FIELD WORK	BARBOURVILLE, KY	\$21.60
41	1998-02-28	142469	959	FULLER, DONNA		KIWANIS CLUB MTG	WINCHESTER, KY	\$25.57
42	1998-02-28	142477	3277	HADDIX, JOHN		FIELD WORK	BARBOURVILLE, KY	\$16.93
43	1998-02-28	142671	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	GOVERNMENT RELATIONS	FRANKFORT, KY	\$73.00
44	1998-02-28	142771	3334	NATIONAL CITY	ROBERT HAZELRIGG	ERP LIST MEETING; REGULATION LEGISLATION		\$54.76
45	1998-02-28	142771	3334	NATIONAL CITY	ALAN HEATH	STAFF MEETING; GAS SUPPLY PIPELING PROJECT; BUDGET	CORBIN, KY; WINCHESTER, KY; MIDDLESBORO, KY	\$149.45
46	1998-02-28	142771	3334	NATIONAL CITY	MIKE ROBINSON	DISCUSSING PERSONNEL ISSUES	BEREA, KY; MOREHEAD, KY	\$36.75
47	1998-02-28	142771	3334	NATIONAL CITY	GERALD BAKER	MEETINGS/CUSTOMER SERVICE, CHAMBER OF COMMERCE, O&M, SKED	CORBIN, KY	\$54.87
48	1998-02-28	142771	3334	NATIONAL CITY	JUANITA HENSLEY	EBMC MEETING; PERSONNEL MATTERS	WINCHESTER, KY; LEXINGTON, KY	\$64.95
49	1998-02-28	142771	3334	NATIONAL CITY	STEVE BILLINGS	EMPLOYEE FAREWELL LUNCHEON; GAS SUPPLY MEETING	WINCHESTER, KY CORBIN, KY	\$77.86

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
50	1998-02-28	143004	3334	NATIONAL CITY	GROUP CARD			\$15.95
51	1998-02-28	143004	3334	NATIONAL CITY	JIM NELSON	STAFF MEETING WORK STATION & PLANNING	CORBIN, KY	\$49.02
52	1998-02-28	142716	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$191.80
53	1998-02-28	142529	2091	ROBINSON, MICHAEL	C OF C MGNT	COLUMBIA MT GRILL	MBORO, KY	\$5.82
54	1998-03-17	143004	3334	NATIONAL CITY	ROBERT MILLER	KHBA-MEETING, DOOR TO DOOR CANVASSING	BOWLING GREEN, KY; MT STERLING, KY	\$92.00
55	1998-03-18	142985	58	AMERICAN EXPRESS	GLENN JENNINGS	NARAUC WINTER MTG	WASHINGTON, DC	\$237.36
56	1998-03-18	143004	3334	NATIONAL CITY	GLENN JENNINGS	MEETING/ GAS SUPPLY, STORAGE EL PASO CHANGES	WINCHESTER, KY	\$20.16
57	1998-03-18	143004	3334	NATIONAL CITY	BRIAN RAMSEY	MEETING WITH EL PASO GAS	WINCHESTER, KY	\$28.07
58	1998-03-18	143004	3334	NATIONAL CITY	JOHN BROWN	ORCOM PERSONNEL, ARTHUR ANDERSON PERSONNEL 5-2 OFFERING	WINCHESTER, KY; LEXINGTON, KY	\$61.29
59	1998-03-18	142915	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$104.86
60	1998-03-19	143004	3334	NATIONAL CITY	JIM POTTER	SOUTHERN GAS ASSOC. COMMITTEE; CONTINUING EDUCATION TRAINING	NASHVILLE, TN; MIDDLESBORO, KY; BARBOURVILLE, KY; CORBIN, KY	\$666.58
61	1998-03-27	143138	3334	NATIONAL CITY	RICHARD YEARY	SURVEYING	MIDDLESBORO, KY	\$17.97
62	1998-03-27	143138	3334	NATIONAL CITY	JOUETT CRAYCRAFT	SGA SEMINAR/PURCHASING	PONTE VERDA BEACH, FL	\$78.33
63	1998-03-27	143091	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY, KEVIN STEELE	FIELD WORK	PINEVILLE, KY	\$118.59
64	1998-03-31	143508	3284	BOND, JEFFREY A		WO 525344	BARBOURVILLE, KY	\$21.52
65	1998-03-31	143529	3523	DAYS INN OF LONDON	RICHARD YEARY	PRELIMINARY SURVEY/TRANSMISSION LINE	LONDON, KY	\$28.22
66	1998-03-31	143218	186	DELTA NATURAL GAS - 08		CONTINUING EDUCATION	BARBOURVILLE, KY	\$39.34
67	1998-03-31	143371	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	GOVN RELATIONS; SGA MEETING; ROTARY CLUB; LOBBYING	FRANKFORT, KY; LEXINGTON, KY; ATLANTA, SAVANNAH, GA; WINCHESTER, KY	\$162.22
68	1998-03-31	143240	1260	JENNINGS, GLENN R	GLENN JENNINGS	SGA-CTN BROADCAST ; SGA MATERIALS MANAGEMENT CONF	DALLAS, TX; ATLANTA, GA; BIRMINGHAM, AL; JACKSONVILLE, FL	\$43.20
69	1998-03-31	0	1087	JUETT, CINDY		ORCOM USERS GROUP	BEND, OR	\$150.00
70	1998-03-31	143301	3334	NATIONAL CITY	ALAN HEATH	BUDGET LOCK-UP; STAFF MEETING; GAS SUPPLY & PIPELINE PROJECT MEETING	WINCHESTER, KY; CORBIN, KY; WINCHESTER, KY	\$196.56
71	1998-03-31	143301	3334	NATIONAL CITY	JOHNNY CAUDILL	COLUMBIA GAS MEETING	LEXINGTON, KY	\$21.19

DELTA NATURAL COMPANY, INC.
CASE No. 99-176
For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
72	1998-03-31	143301	3334	NATIONAL CITY	JEFF STEELE	HOME BUILDERS ASSOCIATION CONVENTION	BOWLING GREEN, KY	\$77.80
73	1998-03-31	143301	3334	NATIONAL CITY	GERALD BAKER	PSC INSPECTION, O&M MEETING, COBIN INTERVIEWS, INDUSTRIAL MEETING	CORBIN, KY	\$98.06
74	1998-03-31	143301	3334	NATIONAL CITY	JUANITA HENSLEY	HUMAN RESOURCES MEETING, 401K & TRAINING	WINCHESTER, KY, CORBIN, KY	\$136.11
75	1998-03-31	143301	3334	NATIONAL CITY	ROBERT HAZELRIGG	SGA MANAGEMENT COMP; KIDC MARKETING; COMMONWEALTH ALUMINI REP.	SAVANNAH, GA; HILTON HEAD, SC; MAYSVILLE, KY; LEXINGTON, KY	\$183.59
76	1998-03-31	143580	3334	NATIONAL CITY	WILLIAM SHARP	EASEMENTS	LONDON, KY	\$13.95
77	1998-03-31	143890	3334	NATIONAL CITY	GLENN JENNINGS	SGA MANAGEMENT	BERUFORT, SC	\$29.28
78	1998-03-31	143890	3334	NATIONAL CITY	JOHN HALL	SGA MANAGEMENT, SGA-A/C FINANCE COMMITTEE MTG	HILTON HEAD, SD	\$80.27
79	1998-03-31	143890	3334	NATIONAL CITY	RICHARD YEARY	WO 525344	PINEVILLE, KY	\$15.60
80	1998-03-31	143890	3334	NATIONAL CITY	JIM POTTER	FIRST AID TRAINING, O & M MEETING; SERVICEMANS TRAINING; SGA COMMITTEE	CORBIN, KY; WINCHESTER, KY	\$260.42
81	1998-03-31	143441	2840	SIDWELL, MARJORIE		KIWANIS, SHONEYS	WINCHESTER, KY	\$86.96
82	1998-03-31	143288	2636	YEARY, CHARLES R.		FIELD WORK	WENDY'S BURGER KING; WENDYS	\$62.18
83	1998-04-16	143620	2500	WALKER JR, ARTHUR E	GLENN JENNINGS	EXECUTIVE COMMITTEE MTG	LEXINGTON CLUB; LEXINGTON, KY	\$120.09
84	1998-04-17	143623	2597	WINCHESTER-CLARK COUNTY	ROBERT HAZELRIGG & NANCY HAZELRIGG	CHAMBER OF COMMERCE BANQUET	WINCHESTER, KY	\$50.00
85	1998-04-20	143890	3334	NATIONAL CITY	DON CARTWRIGHT	GAS DISPATCHER/FIELD TRAINING	CORBIN, KY	\$87.91
86	1998-04-23	143856	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA MANAGEMENT CONF; AGA SMALL MEMBER COUNCIL; NATL METAL PROCESSING; DISCUSS GAS SUPPLY	HILTON HEAD, SC; ARLINGTON, BA; LEXINGTON, KY	\$246.35
87	1998-04-29	143961	3523	DAYS INN OF LONDON	RICHARD YEARY/ JEFF BOND	WO 506194	LONDON, KY	\$44.69
88	1998-04-30	143972	959	FULLER, DONNA		KIWANIS CLUB MTG	WINCHESTER, KY	\$29.70
89	1998-04-30	144186	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT; INDUSTRIAL PROJECT	NASHVILLE, TN; LEXINGTON, KY; FRANKFORT, KY	\$44.75
90	1998-04-30	144236	1702	MORPHEW, JONATHAN W.		WO 525341	RICHMOND, KY	\$25.76
91	1998-04-30	144298	3334	NATIONAL CITY	ALAN HEATH	GAS SUPPLY & STAFF MTG; SPEEDWELL PROJECT PLANNING MTG	WINCHESTER, KY; CORBIN, KY	\$197.24

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
92	1998-04-30	144298	3334	NATIONAL CITY	BOB HAZELRIGG	ECONOMIC DEVELOPMENT VERONDAL, USA PROJECT, MT STERLING INDUSTRIAL	LONDON, KY; BRENTWOOD, TN; LEXINGTON, KY; LEXINGTON, KY	\$240.96
93	1998-04-30	144298	3334	NATIONAL CITY	MIKE ROBINSON	CIS CONCERNS, WESTERN KY GAS MTG; BEREA HOSPITAL MTG	DANVILLE, KY; BEREA, KY	\$46.19
94	1998-04-30	144298	3334	NATIONAL CITY	JEFF STEELE	DEVELOPER MEETING; KGA MEETING; HOME EXP	RICHMOND, KY; SALLERSBURG, IN. LONDON, KY	\$48.34
95	1998-04-30	144298	3334	NATIONAL CITY	GERALD BAKER	PSC INSPECTION; LEAK REPAIR MEETING; O&M MEETING; CHAMBER OF COMMERCE DEV.	CORBIN, KY	\$93.61
96	1998-04-30	144298	3334	NATIONAL CITY	LARRY CURTIS	ORCOM PERSONNEL	DANVILLE, KY; LONDON, KY; WINCHESTER, KY	\$98.45
97	1998-04-30	144298	3334	NATIONAL CITY	LINVILLE SNOWDEN	CONTINUING EDUCATION TRAINING	WINCHESTER, KY	\$325.28
98	1998-04-30	144414	3334	NATIONAL CITY	TOM MCCOY	WEST RICHMOND PROJECT	RICHMOND, KY	\$16.96
99	1998-04-30	144414	3334	NATIONAL CITY	ROBERT MILLER	DOOR TO DOOR CANVASSING; ; HOME EXPO	RICHMOND, KY; LONDON, KKY	\$50.72
100	1998-04-30	144861	3334	NATIONAL CITY	JIM NELSON	PROJECT/EASEMENT RESEARCH	LONDON, KY	\$19.45
101	1998-04-30	144284	2241	SNOWDEN, LINVILLE		NORTH CONSTRUCTION CREW	MCDONALD'S; REDIMART; WINCHESTER, KY	\$75.70
102	1998-04-30	144280	2508	WALLER, NELL		FIELD WORK	SUBWAY; WILLIAMSBURG, KU	\$10.47
103	1998-05-05	144250	1946	POTTER, BRIAN	MC DONALDS; CONLEY'S Gro	FIELD WORK	PINEVILLE, KY	\$7.66
104	1998-05-08	144428	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$35.22
105	1998-05-15	144394	1343	KENTUCKY GAS ASSOCIATION	STEVE BILLINGS	KGA ANNUAL MTG; GOLF REGISTRATION FEE	LEXINGTON, KY	\$65.00
106	1998-05-15	144473	1343	KENTUCKY GAS ASSOCIATION	JIM & GENEVA NELSON; CATHY HEATH; JIM POTTER, MARY VA RUPARD; DON CARTWRIGHT	KGA ANNUAL MTG GOLF REGISTRATION FEE	LEXINGTON, KY	\$205.00
107	1998-05-18	144767	3334	NATIONAL CITY	RICHARD YEARY	WO525341; 511344	LONDON, KY	\$28.92
108	1998-05-18	144767	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING.; KGA SPRING MEETING	MIDDLESBORO, KY; MANCHESTER, KY; COLUMBUS, OH	\$72.86
109	1998-05-18	144767	3334	NATIONAL CITY	JIM POTTER	KGA EDUCATION COM; SERVICEMEN TRAINING; SCBA TRAINING, SGA MEETING	LOUISVILLE, KY; CORBIN, KY; WINCHESTER, KY; NASHVILLE, TN	\$442.14
110	1998-05-18	144672	2091	ROBINSON, MICHAEL		PERSONNE MATTERS	WINCHESTER, KY	\$11.90
111	1998-05-19	144655	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$111.81

DELTA NATURAL COMPANY, INC.
CASE # 9-176
For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
112	1998-05-20	144657	1946	POTTER, BRIAN	BURGER KING; DQ	FIELD WORK	MANCHESTER, KY; MCKEE, KY	\$7.39
113	1998-05-22	144767	3334	NATIONAL CITY	BRIAN RAMSEY	FRED PRYOR SEMINARS	LEXINGTON, KY	\$7.50
114	1998-05-22	144863	1816	OFFICE COFFEE SYSTEMS	BOB HAZELRIGG	KEENELAND GUEST TICKETS - CUSTOMERS	LEXINGTON, KY	\$400.00
115	1998-05-22	0	2167	SHEARER, STEVEN		MAPPING	MBORO, KY; BARBOURVILLE, KY	\$22.99
116	1998-05-31	145435	3523	DAYS INN OF LONDON	RICHARD YEARY	WO 511344	LONDON, KY	\$21.32
117	1998-05-31	145004	277	DELTA NATURAL GAS - 02	DINNER	CREW WORKING AT SPEEDWELL	BEREA, KY	\$62.60
118	1998-05-31	145212	2313	DELTA NATURAL GAS - 05	CONT ED. JM & JIM POTTER	CONTINUING EDUCATION	STANTON, KY	\$11.94
119	1998-05-31	145029	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ROTARY CLUB; TEXAS GAS MARKETING; INDUSTRIAL & MARKETING	WINCHESTER, KY; LAKE BARKLEY, KY; LEXINGTON, KY; WINCHESTER, CORBIN, KY	\$59.25
120	1998-05-31	145036	1158	HOLIDAY INN	MICHAEL JACOBS	WORK ORDERS		\$55.99
121	1998-05-31	145043	3496	JACOBS, MICHAEL		MCNIC LINE	CORBIN, KY	\$94.31
122	1998-05-31	145072	1702	MORPHEW, JONATHAN W.		WO 525353	CORBIN, KY	\$17.18
123	1998-05-31	145143	3334	NATIONAL CITY	VIRGIL SCOTT	ACCTG, TREASURY	WINCHESTER, KY	\$113.95
124	1998-05-31	145143	3334	NATIONAL CITY	ALAN HEATH	BYPASS REGULATOR; KGA ANNUAL MTG; GAS STORAGE PLANS & SYSTEM CAPABILITIES	MIDDLESBORO, KY; WINCHESTER, KY; CORBIN, KY	\$159.98
125	1998-05-31	145143	3334	NATIONAL CITY	LARRY CURTIS	COMPUTER MAINTENANCE	BEREA, KY; CORBIN, KY	\$12.62
126	1998-05-31	145143	3334	NATIONAL CITY	MIKE ROBINSON	PERSONNEL ISSUES MTG; WORK LOAD MTG	MOREHEAD, KY; IRVINE, KY; NICHOLASVILLE, KY	\$48.88
127	1998-05-31	145143	3334	NATIONAL CITY	STEVE BILLINGS	GAS CONTRACTS MTGS; GAS SUPPLY ISSUES	BEREA, KY; LEXINGTON, KY; WINCHESTER, KY	\$101.79
128	1998-05-31	145143	3334	NATIONAL CITY	JUANITA HENSLEY	ADMIN COMMITTEE; 401K SAVINGS MTG; HOUSE TRAILERS OVERSEEING; BENEFITS MTG	WINCHESTER, KY; LEXINGTON, KY; PIGEON FORGE, TN; OWINGSVILLE, KY	\$124.93
129	1998-05-31	145143	3334	NATIONAL CITY	GERALD BAKER	CORBIN INTERVIEWS, CUSTOMER SERVICE SUP MTG; EASEMENT MTG; O&M MTG	CORBIN, KY	\$172.42
130	1998-05-31	145143	3334	NATIONAL CITY	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT; KIDC MEETING, MAXIE PROJECT	FRANKFORT, KY; ASHLAND, KY; LONDON, KY	\$33.39
131	1998-05-31	145307	3334	NATIONAL CITY	JEFF STEELE	MADISON HBA; KEG; KEAVEY PARKER ROAD PROJECT	LEXINGTON, KY; LONDON, KY	\$48.51
132	1998-05-31	145587	3334	NATIONAL CITY	WILLIAM SHARP	EASEMENTS	RICHMOND, KY	\$16.59
133	1998-05-31	145587	3334	NATIONAL CITY	JIM NELSON	KGA MEASUREMENT, REGULATION ROUND TABLE	LAKE BARKLEY CADIZ, KY	\$18.62
134	1998-05-31	145587	3334	NATIONAL CITY	JONATHAN MORPHEW	WO 511344	CORBIN, KY	\$85.80

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
135	1998-06-11	145211	3523	DAYS INN OF LONDON	MIKE JACOBS/ RICHARD YEARY	FIELD WORK	LONDON, KY	\$23.98
136	1998-06-17	145855	3334	NATIONAL CITY	G JENNINGS	DIRECTORS MEETING	WINCHESTER, KY	\$28.34
137	1998-06-17	145855	3334	NATIONAL CITY	JOHN BROWN	AUDITING-ARTHUR ANDERSON CO	WINCHESTER, KY	\$59.04
138	1998-06-17	145855	3334	NATIONAL CITY	JIM POTTER	CONTINUING EDUCATION FORK LIFT OP TRAINING, FIRE SCHOOL	BEREA, KY; CORBIN, KY	\$309.93
139	1998-06-17	145551	2636	YEARY, CHARLES R.		FIELD WORK	CORBIN, KY; MBORO, KY; PINEVILLE, KY; MBORO, KY	\$62.52
140	1998-06-19	145567	3334	NATIONAL CITY	H D PEET	TOUR/CANADA MT	LEXINGTON, KY	\$205.08
141	1998-06-24	145880	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	MIDDLESBORO, KY; LONDON, KY	\$49.52
142	1998-06-26	145714	58	AMERICAN EXPRESS	GLENN JENNINGS	SGA PRESIDENT'S ROUNDTABLE; RECEPTION FOR JAPANESE DELEGATION & MADISON CO INTERNATIONAL COMMITTEE	IRVING, TX	\$139.95
143	1998-06-26	145729	333	BOONE TAVERN	G JENNINGS	JAPANESE DELEGATION	BEREA, KY	\$572.40
144	1998-06-26	145855	3334	NATIONAL CITY	RICHARD YEARY	WO511344	CORBIN, KY	\$37.73
145	1998-06-30	145940	3523	DAYS INN OF LONDON	RICHARD YEARY	SURVEY WORK	LONDON, KY	\$99.92
146	1998-06-30	146392	1649	DELTA NATURAL GAS - 10	C. RUSSELL	SPEEDWELL	BEREA, KY	\$13.28
147	1998-06-30	146172	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ROTARY CLUB; KIDC MARKETING; U K LUNCHEON	WINCHESTER, KY; LOUISVILLE, KY; WINCHESTER, KY	\$66.01
148	1998-06-30	145974	1260	JENNINGS, GLENN R	GLENN JENNINGS	SEARUC ANNUAL MTG; ED JONES/DEBENTURES; NAIC BLUEGRASS INVESTMENT FAIR	BILOXI, MS; ST LOUIS, MO; LEXINGTON, KY	\$51.20
149	1998-06-30	146231	1666	MILLER JR., ROBERT C.		1998 HOME EXPO; 1998 SUMMER BOARD MEETING KHBA	LONDON, KY; KEN LAKE	\$26.03
150	1998-06-30	146324	3334	NATIONAL CITY	ALAN HEATH	KGA ANNUAL MTG PREPARATION	WINCHESTER, KY; CORBIN, KY; LEXINGTON, KY	\$152.73
151	1998-06-30	146324	3334	NATIONAL CITY	ALAN HEATH	KGA ANNUAL MTG	LEXINGTON, KY	\$5.00
152	1998-06-30	146324	3334	NATIONAL CITY	LINVILLE SNOWDEN	PERSONNEL ISSUES	CORBIN, KY	\$13.10
153	1998-06-30	146324	3334	NATIONAL CITY	JEFF STEELE	BUILDERS MTG	RICHMOND, KY	\$21.02
154	1998-06-30	146324	3334	NATIONAL CITY	LARRY CURTIS	COMPUTER MAINTENANCE	LONDON, KY	\$42.00
155	1998-06-30	146324	3334	NATIONAL CITY	GERALD BAKER	ECONOMIC DEV MTG; PSC INSPECTION; COMMUNITY DEV; CHAMBER OF COMM	CORBIN, KY; BARBOURVILLE, KY	\$94.86

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
156	1998-06-30	146324	3334	NATIONAL CITY	JUANITA HENSLEY	DRUG TESTING; BENEFITS; AUDITORS; HOUSETRAILERS	LONDON, KY; WINCHESTER, KY; LEXINGTON, KY; SAVIERVILLE, TN	\$138.74
157	1998-06-30	146324	3334	NATIONAL CITY	ROBERT HAZELRIGG	GAS SUPPLY MTG; ECONOMIC DEVELOPMENT	FLORENCE, KY; CORBIN, KY; WINCHESTER, KY	\$194.23
158	1998-06-30	146458	3334	NATIONAL CITY	EMILY BENNETT	DELTA STORY INFO	LEXINGTON, KY; MT STERLING, KY	\$35.75
159	1998-06-30	146458	3334	NATIONAL CITY	JIM NELSON	KGA ANNUAL MTG	LEXINGTON, KY	\$9.93
160	1998-06-30	146458	3334	NATIONAL CITY	ROBERT MILLER	STATE HOMEBUILDERS MTG; MTG @ CORBIN/CLAY CO-HARDIN	CENTRAL CITY, KY; CORBIN, KY	\$38.16
161	1998-06-30	146458	3334	NATIONAL CITY	JOUETT CRAYCRAFT	OPERATIONS MTG; TRAINING ON GAS ANALYZERS	WINCHESTER, KY	\$126.39
162	1998-06-30	146824	3334	NATIONAL CITY	JONATHAN MORPHEW	WO 506-227	CORBIN, KY; LONDON, KY	\$31.90
163	1998-06-30	146009	1946	POTTER, BRIAN	BURGER KING; DQ; MCDONALDS	FIELD WORK	MANCHESTER, KY; LONDON, KY	\$16.81
164	1998-06-30	146275	2840	SIDWELL, MARJORIE		KIWANIS, SHONEYS	WINCHESTER, KY	\$74.83
165	1998-06-30	146281	3561	SOUTHEAST KENTUCKY HBA	J CAUDILL; R MILLER, M ROBINSON, J STEELE, T MCCAY, T WALKER	HOME BUILDERS ASSOC	LONDON	\$270.00
166	1998-07-17	146391	3523	DAYS INN OF LONDON				\$72.07
167	1998-07-17	146441	3564	MADISON COUNTY INDUSTRIAL MANAGEMINT CLUB	GLENN JENNINGS	MADISON CO INDUSTRIAL MANAGEMENT CLUB; GOLF TOURNAMENT	RICHMOND, KY	\$35.00
168	1998-07-17	146441	3564	MADISON COUNTY INDUSTRIAL MANAGEMINT CLUB	JOHNNY CAUDILL	MADISON CO INDUSTRIAL MANAGEMENT CLUB; GOLF TOURNAMENT	RICHMOND, KY	\$35.00
169	1998-07-17	146441	3564	MADISON COUNTY INDUSTRIAL MANAGEMINT CLUB	MIKE ROBINSON	MADISON CO INDUSTRIAL MANAGEMENT CLUB; GOLF TOURNAMENT	RICHMOND, KY	\$70.00
170	1998-07-17	146441	3564	MADISON COUNTY INDUSTRIAL MANAGEMINT CLUB	ROBERT HAZELRIGG	MADISON CO INDUSTRIAL MANAGEMENT CLUB; GOLF TOURNAMENT	RICHMOND, KY	\$35.00
171	1998-07-17	146824	3334	NATIONAL CITY	JOHN BROWN	ARTHUR ANDERSON AUDITORS	WINCHESTER, KY	\$35.85
172	1998-07-17	146824	3334	NATIONAL CITY	JIM POTTER	DOG AWARENESS TRAINING; CONTINUING EDUCATION	CORBIN, KY; MT. STERLING	\$57.81
173	1998-07-21	146824	3334	NATIONAL CITY	BOBBY COYLE	TENNESSEE GAS CO MTG.	MOREHEAD, KY	\$12.67
174	1998-07-23	146899	3277	HADDIX, JOHN		FIELD WORK	MANCHESTER, KY	\$28.70
175	1998-07-23	146824	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	CORBIN, KY	\$25.05
176	1998-07-23	146824	3334	NATIONAL CITY	WILLIAM SHARP	W0525353	LONDON, KY	\$65.70

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
177	1998-07-23	146733	1946	POTTER, BRIAN	BURGER KING; WENDYS	FIELD WORK	RICHMOND, KY; MANCHESTER, KY	\$13.55
178	1998-07-24	146607	2313	DELTA NATURAL GAS - 05		EMERGENCY LINE BREAK ; DOG TRAINING	STANTON, KY ; CORBIN, KY	\$25.81
179	1998-07-24	146824	3334	NATIONAL CITY	RICHARD YEARY	WO 525353	LONDON, KY	\$58.40
180	1998-07-29	146868	447	CARTWRIGHT, DON		FIELD TRAINING	MIDDLESBORO, KY; MANCHESTER, KY; WILLIAMSBURG, KY; BEREA, KY; WINCHESTER, KY	\$85.19
181	1998-07-29	146881	3523	DAYS INN OF LONDON	BRIAN POTTER; BILL SHARP; RICHARD YEARY	WO 525353	LONDON, KY	\$13.71
182	1998-07-31	147388	58	AMERICAN EXPRESS		NARAUC SUMMER MTG; MTG W/BEREA CITY MGR; VISIT BRANCHES & CANADA MT	SEATTLE, WA; LEXINGTON, KY; MIDDLESBORO, KY	\$240.35
183	1998-07-31	147091	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT CONFERENCE; MARKETING; ROTARY CLUB	LOUISVILLE, KY; WINCHESTER, KY	\$105.35
184	1998-07-31	147215	3334	NATIONAL CITY	ALAN HEATH	CANADA MT MTG; STAFF MTG	WINCHESTER, KY; CORBIN, KY	\$184.85
185	1998-07-31	147215	3334	NATIONAL CITY	JEFF STEELE	EXTENSION WORK	BEREA, KY	\$24.09
186	1998-07-31	147215	3334	NATIONAL CITY	LARRY CURTIS	COMPUTER MAINTENANCE	LEXINGTON, KY; LONDON, KY	\$47.10
187	1998-07-31	147215	3334	NATIONAL CITY	ROBERT HAZELRIGG	KY IND. TEAM MTG; ECO DEVELOPMENT INDUSTRIAL CHEF AMERICA	LOUISVILLE, KY; LEXINGTON, KY; MT STERLING, KY	\$49.26
188	1998-07-31	147215	3334	NATIONAL CITY	GERALD BAKER	CORBIN INTERVIEW, AUDIT REVIEWS, CANAL REPLACEMENT & LOCATION	WILLIAMSBURG, KY; MIDDLESBORO, KY; CORBIN, KY	\$71.60
189	1998-07-31	147215	3334	NATIONAL CITY	JUANITA HENSLEY	HEALTH CARE BENEFITS; DISABILITY INSURANCE MTG	LONDON, KY; LEXINGTON, KY; WINCHESTER, KY	\$71.75
190	1998-07-31	147342	3334	NATIONAL CITY	CLYDE RUSSELL	GAS WELLS & TRANSMISSION WORK	MIDDLEBORO, KY	\$29.39
191	1998-08-04	147175	3561	SOUTHEASTERN KENTUCKY HBA	J BAKER; J CAUDILL	REGISTRATION HOME BUILDERS ASSOC	LONDON	\$85.00
192	1998-08-13	147639	3334	NATIONAL CITY	TOM MCCAY	BUILDER-JOHN DOVES	RICHMOND, KY	\$14.68
193	1998-08-13	147639	3334	NATIONAL CITY	JONATHAN MORPHEW	WO525154, 510138, 510140	LONDON, KY; MIDDLESBORO, KY	\$56.15
194	1998-08-13	147639	3334	NATIONAL CITY	WILLIAM SHARP	WO 525353, EASEMENTS	LONDON, KY	\$76.08
195	1998-08-13	147639	3334	NATIONAL CITY	ROBERT MILLER	KEAVY ROAD COOP CUSTOMER SURVEY	CORBIN, KY	\$21.59

DELTA NATURAL COMPANY, INC.
CASE # 99-176

For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
196	1998-08-14	147249	2683	BROWN, JOHN B		AUDIT AALLP	WINCHESTER, KY	\$21.24
197	1998-08-18	147639	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	CORBIN, KY	\$10.25
198	1998-08-18	147639	3334	NATIONAL CITY	JOHN BROWN	ARTHUR ANDERSON AUDITORS	LEXINGTON, KY; WINCHESTER, KY	\$72.85
199	1998-08-18	147639	3334	NATIONAL CITY	CONNIE KING	CERTIFICATION MEETING	MT STERLING KY; WILLIAMSBURG, KY; LEXINGTON, KY; LONDON, KY; CORBIN, KY	\$92.60
200	1998-08-18	147570	1920	PINE MOUNTAIN STATE RESORT PARK	RICHARD YEARY	FIELD WORK	PINEVILLE, KY	\$38.44
201	1998-08-18	147573	1946	POTTER, BRIAN	PINE MT STATE PARK; BP MART; BURGER KING	FIELD WORK	PINEVILLE, KY; MBORO, KY	\$14.01
202	1998-08-19	147428	332	ARLINGTON ASSOCIATION	BOB HAZELRIGG	DINNER- INDUSTRIAL CUSTOMER	RICHMOND, KY	\$654.05
203	1998-08-19	147639	3334	NATIONAL CITY	BOBBY COYLE	MEASUREMENT MTG; GAS LIGHT INSTALLATION	WINCHESTER, KY; BERE, KY	\$62.75
204	1998-08-19	147737	3334	NATIONAL CITY	GLENN JENNINGS	PLANNING MTG AMERICA TRIP	WINCHESTER, KY	\$29.65
205	1998-08-21	147516	1337	KENTUCKY CHAMBER OF COMMERCE	ROBERT HAZELRIGG	PUBLIC AFFAIRS LUNCHEON	FRANKFORT, KY	\$20.00
206	1998-08-21	147639	3334	NATIONAL CITY	RICHARD YEARY	WO 525353	LONDON, KY	\$106.74
207	1998-08-21	147639	3334	NATIONAL CITY	JIM POTTER	KGA EDUCATION; O&M TASK FORCE; TRAINING	OWENSBORO, KY; CORBIN, KY; WINCHESTER, KY	\$221.51
208	1998-08-31	147910	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	SOUTHERN LEGISLATIVE CONF; KIDC MEETING; ROTARY CLUB	CHARLESTON, W VA; GLASGLOW, KY; WINCHESTER, KY	\$53.50
209	1998-08-31	147949	3192	MITCHELL, CRAIG		WO 525154	WINCHESTER, KY	\$5.57
210	1998-08-31	148022	3334	NATIONAL CITY	ALAN HEATH	ENGINEERING PROJECTS; STAFF MEETING; REPO- CANADA MT	WINCHESTER, KY; CORBIN, KY; MIDDLESBORO, KY	\$81.36
211	1998-08-31	148022	3334	NATIONAL CITY	JEFF STEELE	CORBIN EXTENSIONS	CORBIN, KY	\$11.51
212	1998-08-31	148022	3334	NATIONAL CITY	JUANITA HENSLEY	PERSONNEL ISSUES	BARBOURVILLE, KY	\$17.25
213	1998-08-31	148022	3334	NATIONAL CITY	CLYDE RUSSELL	GAS WELLS & TRANSMISSION WORK	MIDDLESBORO, KY	\$29.77
214	1998-08-31	148022	3334	NATIONAL CITY	LARRY CURTIS	AUDITING-ARTHUR ANDERSON CO	LEXINGTON, KY	\$52.57
215	1998-08-31	148022	3334	NATIONAL CITY	GERALD BAKER	COMMUNITY DEVELOPMENT MAIN EXTENSIONS CHAMBER OF COMMERCE	CORBIN, KY	\$86.94
216	1998-08-31	148022	3334	NATIONAL CITY	ROBERT HAZELRIGG	SOUTH LEGISLATIVE CONF.	CHARLESTON, SC	\$212.91
217	1998-08-31	148435	3334	NATIONAL CITY	TOM MCCAY	BUILDERS MTG	LONDON, KY	\$15.65

DELTA NATURAL GAS COMPANY, INC.
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For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
218	1998-08-31	148435	3334	NATIONAL CITY	ROBERT MILLER	MAPPING	CORBIN, KY	\$72.68
219	1998-08-31	148551	3334	NATIONAL CITY	DENISA KING	SGA A/P ROUNDTABLE	AUSTIN, TX	\$2.17
220	1998-08-31	147963	1946	POTTER, BRIAN	KEAVY GRO, GREAT WALL	FIELD WORK	KEAVY, KY; LONDON, KY	\$10.67
221	1998-08-31	148165	2091	ROBINSON, MICHAEL		KGA M & R CONF KSPE MGNT	PARK MAMMOTH REST; PARK MAMMOTH, KY	\$5.72
222	1998-08-31	148000	2508	WALLER, NELL		APP	PIZZA HUT; CORBIN, KY	\$7.50
223	1998-09-17	148257	3597	CLAIR'S CUSTOM CREATIONS	JIM POTTER	KGS TASKFORCE MTG	CORBIN, KY	\$149.30
224	1998-09-17	148288	959	FULLER, DONNA		KIWANIS CLUB MTG	WINCHESTER, KY; LEXINGTON, KY	\$44.52
225	1998-09-17	148551	3334	NATIONAL CITY	JOHN HALL		WINCHESTER, KY	\$86.00
226	1998-09-17	148551	3334	NATIONAL CITY	RICHARD YEARY	WO 525344	WINCHESTER, KY	\$33.42
227	1998-09-17	148551	3334	NATIONAL CITY	JOHN BROWN	ARTHUR ANDERSON AUDITORS	LEXINGTON, KY; WINCHESTER, KY	\$62.23
228	1998-09-17	148551	3334	NATIONAL CITY	JIM POTTER	KGA O&M EDUCATION MTG	NASHVILLE, TX	\$302.22
229	1998-09-17	148400	2636	YEARY, CHARLES R.		FIELD WORK	MANCHESTER, KY	\$43.27
230	1998-09-18	148307	3039	JAZZMAN CAFE RESTAURANT AND CATERING		DINNER FOR ARMENIAN GROUP	WINCHESTER, KY	\$106.00
231	1998-09-18	148435	3334	NATIONAL CITY	JONATHAN MORPHEW	WO 506231	LONDON, KY	\$111.30
232	1998-09-22	148446	1168	HOME BUILDERS ASSOCIATION OF KY		HOME BUILDERS FALL BOARD MTG	FRANKFORT, KY	\$80.00
233	1998-09-22	148551	3334	NATIONAL CITY	SPARE CARD	TREASURY;ACCTG	WINCHESTER, KY	\$30.79
234	1998-09-24	148456	244	BENNETT, EMILY		AGA MEETING	NEW YORK, NY	\$15.29
235	1998-09-25	148452	58	AMERICAN EXPRESS	GLENN JENNINGS	PLANNING EMPLOYEE MTG AT ECU	WINCHESTER, KY	\$16.47
236	1998-09-25	148474	186	DELTA NATURAL GAS - 08	JOHN PRICHARD	TRAINING SCHOOL	CORBIN, KY	\$7.80
237	1998-09-25	148477	2595	DELTA NATURAL GAS - 20	DONNA FULLER	HOUSETRAILER- MEALS	PIGEON FORGE, TN	\$30.71
238	1998-09-30	148825	333	BOONE TAVERN	GLENN JENNINGS	ARMENIAN DELEGATION VISIT	BEREA, KY	\$174.90
239	1998-09-30	149127	1649	DELTA NATURAL GAS - 10	CINDY JUETT; COLLEEN CHUMLEY; BETTY PARTIN	CIS TRAINING	MIDDLESBOR, KY	\$38.49
240	1998-09-30	148895	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ROTARY CLUB	WINCHESTER, KY	\$14.00
241	1998-09-30	148717	1260	JENNINGS, GLENN R	GLENN JENNINGS	NARUC SUMMER MTG; SGA INVESTMENT ADVISORY; ARMENIAN VISIT DELEGATION; NAT GAS MIDT-NORD	SEATTLE, WA; DALLAS, TX; BEREA, KY; VIBORG, DENMARK	\$194.00
242	1998-09-30	148740	1666	MILLER JR., ROBERT C.		BUSINESS WRITING SEMINAR	LEXINGTON, KY	\$5.89

DELTA NATURAL COMPANY, INC.
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For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
243	1998-09-30	149050	3334	NATIONAL CITY	ALAN HEATH	PSC PLANNING MTG; MGMT PLANNING MTG	WINCHESTER, KY	\$87.83
244	1998-09-30	149050	3334	NATIONAL CITY	JOHNNY CAUDILL	SGA CONFERENCE; KGA MTG	AUSTIN, TX; WINCHESTER, KY.	\$215.10
245	1998-09-30	149050	3334	NATIONAL CITY	STEVE BILLINGS	Y2K MEETING	WINCHESTER, KY	\$20.91
246	1998-09-30	149050	3334	NATIONAL CITY	JEFF STEELE	LAUREL COUNTY SCHOOL MTG	LONDON, KY	\$26.22
247	1998-09-30	149050	3334	NATIONAL CITY	JUANITA HENSLEY	DELTA STORY INFO	LEXINGTON, KY	\$57.35
248	1998-09-30	149050	3334	NATIONAL CITY	VIRGIL SCOTT	EBMC SEMINAR	DUBLIN, OH	\$100.49
249	1998-09-30	149050	3334	NATIONAL CITY	LARRY CURTIS	MTG ON FILESERVER; MTG ON HAND HELDS	WINCHESTER, KY; CORBIN, KY	\$123.38
250	1998-09-30	149050	3334	NATIONAL CITY	GERALD BAKER	O&M MTG; EXTENSION MTG; EASEMENT MTG; INDUSTRIAL CUSTOMER MTG	CORBIN, KY	\$139.52
251	1998-09-30	149050	3334	NATIONAL CITY	CLYDE RUSSELL	TRANSMISSION DEPT MTG	MIDDLESBORO, KY	\$154.04
252	1998-09-30	149050	3334	NATIONAL CITY	ROBERT HAZELRIGG	LG&E; KDIC MTG	LEXINGTON, KY; LUCAR, KY	\$138.52
253	1998-09-30	149190	3334	NATIONAL CITY	JIM NELSON	ARMENIAN TRIP	RICHMOND, KY	\$20.22
254	1998-09-30	149450	3334	NATIONAL CITY	EMILY BENNETT	VARIOUS STOCK INVESTORS MEETINGS	VARIOUS PLACES	\$444.46
255	1998-09-30	149450	3334	NATIONAL CITY	WILLIAM SHARP	FIELD WORK	RICHMOND, KY	\$19.41
256	1998-09-30	148759	2840	SIDWELL, MARJORIE		KIWANIS, SPINDLETOP; SHONEYS	LEXINGTON, KY; WINCHESTER, KY	\$98.83
257	1998-10-08	148922	3196	KCEDEF	ROBERT HAZELRIGG	KCEDEF ANNUAL LUNCHEON	MARRIOTT, LEXINGTON, KY	\$35.00
258	1998-10-16	149238	58	AMERICAN EXPRESS		ARMENIA DELEGATION; U S ENERGY ASSOCIATION	LEXINGTON, KY; WINCHESTER, KY	\$911.47
259	1998-10-20	149450	3334	NATIONAL CITY	ALAN HEATH	FIELD WORK	CORBIN, KY	\$74.10
260	1998-10-20	149450	3334	NATIONAL CITY	CONNIE KING	PSC-GCR MTG	FRANKFORT, KY	\$18.80
261	1998-10-20	149450	3334	NATIONAL CITY	BOBBY COYLE	FIELD WORK-CANADA MTG	CUMBERLAND GAP, TN	\$143.67
262	1998-10-22	149335	959	FULLER, DONNA		KIWANIS CLUB MTG	WINCHESTER, KY	\$29.25
263	1998-10-22	149450	3334	NATIONAL CITY	GLENN JENNINGS	ARMENIAN DELEGATION	WINCHESTER, KY	\$86.41
264	1998-10-22	149450	3334	NATIONAL CITY	JOHN HALL	KGA, NAROC, ARMINIAN	WINCHESTER, KY; NEW YORK, NY	\$625.15
265	1998-10-22	149450	3334	NATIONAL CITY	DON CARTWRIGHT	FIELD TRAINING	LONDON, KY; CORBIN, KY	\$61.37
266	1998-10-22	149450	3334	NATIONAL CITY	JOHN BROWN	ARMENIAN DELEGATION	LEXINGTON, KY; WINCHESTER, KY	\$157.76
267	1998-10-22	149450	3334	NATIONAL CITY	JIM POTTER	SAFETY TRAINING	CORBIN, KY	\$269.22
268	1998-10-22	149619	3334	NATIONAL CITY	DAVID TURPIN	COMPUTER FIELD WORK	LONDON, KY	\$8.47
269	1998-10-28	149861	3334	NATIONAL CITY	JOHNNY CAUDILL	BUSINESS MTG	WINCHESTER, KY	\$12.58

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
270	1998-10-28	149861	3334	NATIONAL CITY	JUANITA HENSLEY	AUDITING-ARTHUR ANDERSON CO	WINCHESTER, KY	\$67.50
271	1998-10-28	149861	3334	NATIONAL CITY	CLYDE RUSSELL	TRANSMISSION DEPT	MIDDLESBORO, KY	\$101.97
272	1998-10-28	149861	3334	NATIONAL CITY	ROBERT HAZELRIGG	FRANCHISE FEE MTG; ADCOM WISE MTG	FRANKFORT, KY; LEXINGTON, KY	\$49.66
273	1998-10-28	149644	2320	STEELE, KEVIN		MAPPING	COUNTRY DINER, BURNING SPRINGS, KY	\$20.28
274	1998-10-30	149861	3334	NATIONAL CITY	ALAN HEATH	MANAGEMENT PLANNING	PIKEVILLE, KY; CORBIN, KY; WINCHESTER, KY; MIDDLESBORO, KY	\$452.80
275	1998-10-30	149861	3334	NATIONAL CITY	STEVE BILLINGS	KGA COMM MTG; GAS SUPPLY MTG	COLUMBUS, OH; CORBIN, KY	\$66.42
276	1998-10-30	149637	2241	SNOWDEN, LINVILLE		W O #502250	RYANS, LEXINGTON, KY	\$13.10
277	1998-10-31	149703	294	BILLINGS, GEORGE S		OGAKGA SUPPLY COMMITTEE	COLUMBUS, OH	\$13.91
278	1998-10-31	149934	1649	DELTA NATURAL GAS - 10	JOHNNY BOGGS	WORKIN ON WELL CARNES #2	FLAT LICK, KY	\$10.06
279	1998-10-31	149758	3277	HADDIX, JOHN		MAPPING / FIELD WORK	MANCHESTER, KY	\$13.05
280	1998-10-31	149763	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT; & INDUSTRIAL MEETINGS	LOUISVILLE, KY; FRANKFORT, KY; LEXINGTON, KY	\$125.75
281	1998-10-31	149861	3334	NATIONAL CITY	LARRY CURTIS	FIELD WORK	LONDON, KY	\$14.70
282	1998-10-31	149861	3334	NATIONAL CITY	JEFF STEELE	BUILDERS MTG	RICHMOND, KY	\$14.88
283	1998-10-31	149861	3334	NATIONAL CITY	CLYDE RUSSELL	TRANSMISSION DEPT	MIDDLESBORO, KY	\$31.43
284	1998-10-31	149861	3334	NATIONAL CITY	GERALD BAKER	PIPELINE LOCATION EXTENSION, CIS TRAINING	CORBIN, KY	\$191.11
285	1998-10-31	150353	3334	NATIONAL CITY	JIM NELSON	PERSONNEL SCHEDULING	WINCHESTER, KY	\$34.64
286	1998-10-31	150353	3334	NATIONAL CITY	JONATHAN MORPHEW	512 MAPPING	LONDON, KY	\$165.20
287	1998-10-31	149812	1946	POTTER, BRIAN	COUNTRY DINER, MC DONALDS	FIELD WORK	BURNING SPRINGS, KY	\$15.29
288	1998-10-31	149822	2167	SHEARER, STEVEN		MAPPING	CORBIN, KY; LONDON, KY	\$51.42
289	1998-11-17	150353	3334	NATIONAL CITY	GLENN JENNINGS	AGA EXEC CONF; RATE ISSUES MTG	FREDERICKSBURG, TX; WINCHESTER, KY	\$207.34
290	1998-11-17	150353	3334	NATIONAL CITY	BOBBY COYLE	FIELD TRAINING	RICHMOND, KY	\$26.51
291	1998-11-17	150353	3334	NATIONAL CITY	BRIAN RAMSEY	ACCESS MGMT TRAINING	LEXINGTON, KY	\$31.00
292	1998-11-17	150353	3334	NATIONAL CITY	WILLIAM SHARP	FIELD TRAINING	RICHMOND, KY	\$64.38
293	1998-11-17	150353	3334	NATIONAL CITY	CONNIE KING	CANADA MT	WINCHESTER, KY	\$120.93
294	1998-11-17	150353	3334	NATIONAL CITY	RICHARD YEARY	AISIN-KEARY	LONDON, KY	\$139.82
295	1998-11-17	150353	3334	NATIONAL CITY	JIM POTTER	KGA EDUCATION MTG	LOUISVILLE, KY	\$177.67

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
296	1998-11-18	150160	2313	DELTA NATURAL GAS - 05		SOFTWARE UPDATE	STANTON, KY	\$27.39
297	1998-11-20	150323	58	AMERICAN EXPRESS	GLENN JENNINGS	MTG PENN FUEL/KY AMERICAN PLANNING EMPLOYEE MTG; AGA SMALL MEMBER COUNCIL/AUDIT MTG	LEXINGTON, KY; WINCHESTER, KY; SAN ANTONIO, TX	\$184.82
298	1998-11-23	150353	3334	NATIONAL CITY	JOHN BROWN	AUDITING-ARTHUR ANDERSON CO., ACCOUNTING PERSONNEL	WINCHESTER, KY	\$45.61
299	1998-11-25	0	3224	HALL, JOHN	JOHN HALL	AGA INVESTOR RELATIONS; NARUC MEETINGS; NARUC ANNUAL MTG	NEW YORK CITY; INDIANAPOLIS, IN; ORLANDO, FL; PITTSBURGH, PA	\$175.00
300	1998-11-30	151418	58	AMERICAN EXPRESS	GLENN JENNINGS	BEREA COLLEGE STAFF; NARUC ANNUAL MTG; SGA EXECUTIVE CONF; SGA RATES & GOVNT; RELATIONS CONFERENCE; PSS STAFF CONFERENCE	ORLANDO, FL; PINEHURST, NC; POINT CLEAR, AL; WINCHESTER, KY	\$554.61
301	1998-11-30	150543	294	BILLINGS, GEORGE S		SGA CONFERENCE	NASHVILLE, TN	\$23.99
302	1998-11-30	150586	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	ECONOMIC DEVELOPMENT & TAX MEETING; ROTARY CLUB	FRANKFORT, KY; WINCHESTER, KY	\$23.75
303	1998-11-30	150788	3496	JACOBS, MICHAEL		WORK ORDERS 525344;512117; 525353	CORBIN, KY; MANCHESTER, KY	\$11.70
304	1998-11-30	150614	1702	MORPHEW, JONATHAN W.		WO 525353	MANCHESTER, KY	\$8.85
305	1998-11-30	150671	3334	NATIONAL CITY	CLYDE RUSSELL	CANADA MT, SC MTG	MIDDLESBORO, KY	\$15.51
306	1998-11-30	150671	3334	NATIONAL CITY	STEVE BILLINGS	IGP CUSTOMERS MTG	ROVINSVILLE, MS	\$16.51
307	1998-11-30	150671	3334	NATIONAL CITY	LINVILLE SNOWDEN	JOB OPENING INTERVIEW	CORBIN, KY	\$25.06
308	1998-11-30	150671	3334	NATIONAL CITY	CLYDE RUSSELL	TRANSMISSION DEPT	MIDDLESBORO, KY	\$31.39
309	1998-11-30	150671	3334	NATIONAL CITY	GERALD POWELL	WO 502259	B. LAUR, AL	\$86.70
310	1998-11-30	150671	3334	NATIONAL CITY	LARRY CURTIS	ORCOM USERS REP MTG	MYRTLE BEACH, SC	\$197.62
311	1998-11-30	150671	3334	NATIONAL CITY	JEFF STEELE	AIA MTG; COLUMBIA GAS; KGA MTG	LEXINGTON, KY	\$292.50
312	1998-11-30	150671	3334	NATIONAL CITY	ALAN HEATH	GAS SUPPLY MTG; PSC	CORBIN, KY	\$289.23
313	1998-11-30	150671	3334	NATIONAL CITY	JOHN HALL			\$394.70
314	1998-11-30	150833	3334	NATIONAL CITY	GERALD BAKER	O&M TASK FORCE; PSC INSPECTION; INDUSTRIAL COMMISSION; DISBRIBUTION EXTEN.	CORBIN, KY	\$151.50
315	1998-11-30	151456	3334	NATIONAL CITY	TOM MCCOY	BUILDERS LUNCHEON	RICHMOND, KY	\$18.61
316	1998-11-30	151456	3334	NATIONAL CITY	ROBERT HAZELRIGG	MAPPING	NICHOLASVILLE, KY	\$45.96
317	1998-11-30	151633	3334	NATIONAL CITY	GLENN JENNINGS	DIRECTORS MTG		\$101.88
318	1998-11-30	151633	3334	NATIONAL CITY	JIM POTTER	KGA EDUCATION COMM.; TASK FORCE MTG	PRESTONSBURG, KY; CORBIN, KY	\$159.33

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
319	1998-11-30	150633	2840	SIDWELL, MARJORIE		KIWANIS CLUB	WINCHESTER, KY	\$34.21
320	1998-12-01	150472	3564	MADISON COUNTY INDUSTRIAL MANAGEMENT CLUB	JEFF STEELE	MADISON CO INDUSTRIAL MANAGEMENT CLUB; GOLF TOURNAMENT	RICHMOND, KY	\$35.00
321	1998-12-16	151280	959	FULLER, DONNA		KIWANIS CLUB MTG	WINCHESTER, KY	\$24.35
322	1998-12-16	151329	1702	MORPHEW, JONATHAN W.		WO 525353	MANHESTER, KY	\$36.89
323	1998-12-16	151633	3334	NATIONAL CITY	RICHARD YEARY	FIELD WORK	LONDON, KY	\$89.85
324	1998-12-17	151633	3334	NATIONAL CITY	JOHN BROWN	ORCOM USERS GROUP	MURRELLS INLET, SC	\$69.38
325	1998-12-18	151456	3334	NATIONAL CITY	JONATHAN MORPHEW	W0525353	CORBIN, KY	\$38.16
326	1998-12-18	151456	3334	NATIONAL CITY	FRANCES CURTIS	NEW O-VILLE OFFICE FIELD WORK	LEXINGTON, KY	\$16.46
327	1998-12-22	151633	3334	NATIONAL CITY	JOHN HALL	TREASURY MTGS	VARIOUS PLACES	\$248.50
328	1998-12-22	151567	1946	POTTER, BRIAN	COUNTRY DINER, BURGER KING, WENDYS	FIELD WORK	MANCHESTER, KY	\$39.49
329	1998-12-30	151928	3334	NATIONAL CITY	GERALD BAKER	OPERATIONS & MAINTENANCE REVIEWS STANDARD PRACTICE	CORBIN, KY	\$14.14
330	1998-12-30	151928	3334	NATIONAL CITY	CLYDE RUSSELL	TRANSMISSION DEPT	MIDDLESBORO, KY	\$16.32
331	1998-12-30	151928	3334	NATIONAL CITY	JOHN HALL	TREASURY MTGS	WINCHESTER, KY	\$28.62
332	1998-12-30	151928	3334	NATIONAL CITY	STEVE BILLINGS	REDUNDANT-MEASUREMENT COMMITTEE	WINCHESTER, KY	\$43.63
333	1998-12-31	151800	469	CAUDILL, JOHNNY		LOOKING AT THE GAS SYSTEM	MT OLIVET, KY	\$13.85
334	1998-12-31	151827	2313	DELTA NATURAL GAS - 05	DINNER	JEFFERSONVILLE OUTAGE	JEFFERSONVILLE, KY	\$44.43
335	1998-12-31	151828	186	DELTA NATURAL GAS - 08	PAT CLARK	TRAINING SCHOOL	BARBOURVILLE, KY	\$7.80
336	1998-12-31	151839	1112	HAZELRIGG, ROBERT	ROBERT HAZELRIGG	PSC FRANCHISE MTG; UTILITY TASK FORCE MTG; KY CHAMBER RETREAT	FRANKFORT, KY; LAKE CUMBERLAND	\$27.25
337	1998-12-31	151849	3496	JACOBS, MICHAEL		WORK ORDER 525353	MANCHESTER, KY	\$6.00
338	1998-12-31	151851	1260	JENNINGS, GLENN R	GLENN JENNINGS	SGA EXECUTIVE CONFERENCE; ARMENIAN EXCHANGE MTG; RENFRO VALLEY-FUTURE MTGS; MTG WITH MIKE WHITLEY	PINEHURST, NC; WINCHESTER, KY; MT VERNON, KY; LEXINGTON, KY	\$104.75
339	1998-12-31	151866	3192	MITCHELL, CRAIG		WO 525353	MANCHESTER, KY	\$4.57
340	1998-12-31	151928	3334	NATIONAL CITY	DONNA FULLER	DRUG TEST	WINCHESTER, KY	\$16.62
341	1998-12-31	151928	3334	NATIONAL CITY	JUANITA HENSLEY	401K AUDIT MTG	WINCHESTER, KY	\$36.80
342	1998-12-31	151928	3334	NATIONAL CITY	ALAN HEATH	RATE CASE MTG; ROW MEETING	WINCHESTER, KY	\$139.75
343	1998-12-31	151928	3334	NATIONAL CITY	JEFF STEELE	KEAVY PROJECT	CORBIN, KY	\$11.81

DELTA NATURAL GAS COMPANY, INC.

CASE 99-176

For the 12 Months Ended 12/31/98

AC 1.921.29 - COMPANY BUSINESS MEALS & ENTERTAINMENT

LINE NO	DATE	CHECK #	VENDOR #	VENDOR NAME	DESCRIPTION	REASON	LOCATION	AMOUNT
344	1998-12-31	151928	3334	NATIONAL CITY	LARRY CURTIS	OPENING NEW OWINGSVILLE OFFICE	MT. STERLING, KY	\$34.80
345	1998-12-31	152449	3334	NATIONAL CITY	JONATHAN MORPHEW	WO 525353	LONDON, KY	\$84.29
346	1998-12-31	152449	3334	NATIONAL CITY	GLENN JENNINGS	ACCOUNTING MTG	WINCHESTER, KY	\$34.49
347	1998-12-31	152449	3334	NATIONAL CITY	EMILY BENNETT	EMPLOYEE SET-UP MTG	RICHMOND, KY	\$24.71
348	1998-12-31	152449	3334	NATIONAL CITY	JIM NELSON	SGA-CTN TRAINING	WINCHESTER, KY	\$51.79
349	1998-12-31	151870	1778	NELSON, JAMES R.	JAMES R NELSON	USPE MTG	SPRINGS HOTEL, LEXINGTON	\$20.00
350	1998-12-31	152100	2167	SHEARER, STEVEN	BRIAN POTTER, S. SHEARER	FIELD WORK	LONDON, KY; MANCHESTER, KY	\$28.87
351	1998-12-31	151907	2508	WALLER, NELL		EASEMENTS	SUBWAY WILLIAMSBURG, KY	\$7.78
352	1998-12-31	151913	2636	YEARY, CHARLES R.		FIELD WORK	CORNER STORE, HARDEES, MANCHESTER, KY; LONDON, KY; MANCHESTER, KY	\$59.06
353						CORRECTION JE 101-7/98		\$288.55
354						REIMBURSEMENTS FOR MEALS		\$13.76
355						BOOK LOBBYING EXPENSE		-\$104.72
356						TOTAL AC 1.921.29		\$30,757.74

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

59. With regard to each of the outside service accounts shown for 1998 in response to PSC data request 26, please provide the actual annual expenses booked during 1996 and 1997.

RESPONSE: See Attached

WITNESS: John Brown

DELTA NATURAL GAS COMPANY, INC.

Item 59

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

	AC #	ACCOUNT NAME	1997	1996
1				
2	192301	OUTSIDE SERVICES LEGAL	59,744	110,584
3	192302	OUTSIDE SERVICES ACCOUNTING	85,113	108,172
4	192303	OUTSIDE SERVICES JANITORIAL	50,216	49,418
5	192304	OUTSIDE SERVICES OTHER	79,284	148,012
6	192305	OUTSIDE SERVICES COMPUTER	35,228	35,436

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

60. With regard to the test year legal expenses of \$73,126 in A/C 1.92301 shown in response to PSC data request #26, please provide the following information:
- a. Please provide the portion of the total legal expenses of \$73,126 that is attributable (directly or indirectly) to outside legal assistance related to the legislative session. Indicate these expenses by outside legal service provider.
 - b. Please provide the portion of the total legal expenses of \$73,126 that is attributable (directly or indirectly) to outside legal assistance related to the Canada Mountain project that was not already removed by Delta in its pro forma expense adjustment to remove all Canada Mountain expenses from the filing.

RESPONSE: See Attached

WITNESS: John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Item 60

Line No.

- 1 Item 60.a. No legal expenses relating to legislative session or lobbying are directly or
- 2 or indirectly related to account 1.923.01.
- 3
- 4
- 5 Item 60.b. No legal expenses relating to Canada Mountain are directly or indirectly
- 6 related to account 1.923.01.

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**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

61. With regard to the Outside Services Other expenses of \$97,053 in A/C 1.92304 shown in the response to PSC data request # 26, please provide the following information:
- a. What is the portion of the total expense amount of \$97,053 that is attributable (directly or indirectly) to lobbying activities and activities relating to the legislative process?
 - b. What is the portion of the total expense amount of \$97,053 that is attributable (directly or indirectly) to Canada Mountain and the Delta subs?

RESPONSE: See Attached

WITNESS: John Brown

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 99-176

For the 12 Months Ended 12/31/98

Item 61.a.b.

Line No.

1 Item 61.a.

2

3 No expenses in Account 1.934.04 were attributable directly or indirectly
4 to lobbying activities or the legislative process

5

6

7

8 Item 61.b.

9 No expenses in Account 1.934.04 were attributable directly or indirectly
10 to Canada Mountain or the Delta subs.

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

62. Please provide the actual Director's Fees and Expenses for each of the last 5 years, 1994 through 1998.

RESPONSE:

See Attached

Sponsoring Witness:

John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176
Director's Fees and Expenses

Item 62

Line No.	<u>Year</u>	<u>Director's Fees and Expenses</u>
1	1998	88,800
2	1997	107,050
3	1996	130,376
4	1995	101,027
5	1994	117,771

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

63. What represent the "Incentive Program" expenses listed under account 193004 in the response to PSC data request Item 25b?

RESPONSE: "Incentive Program" expenses listed under account 193004 were for the "water heater conversion program" from propane to natural gas.

WITNESS: John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

64. Please provide the 1999 P&L Budget in the same format and detail as per the response to AG Item 8 in the Company's prior rate case.

RESPONSE: See Attached

WITNESS: John Brown

Delta Natural Gas Co., Inc.

EM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
GENERAL SERVICE RATE	-37,208,000
RESIDENTIAL	-22,540,500
1.480.010 - GS RATE SALES RESIDENTIAL JFH	-22,540,500
COMMERCIAL	-13,092,500
1.480.020 - GS RATE SALES OTHER COMMERCIAL JFH	-7,102,400
1.480.040 - GS RATE SALES SMALL COMMERCIAL JFH	-5,990,100
INDUSTRIAL	-1,575,000
1.480.030 - GS RATE SALES INDUSTRIAL JFH	-1,575,000
INTERRUPTIBLE RATE	-528,400
INDUSTRIAL	-528,400
1.481.030 - INTERRUPTIBLE RATE INDUSTRIAL JFH	-528,400
MISCELLANEOUS REVENUE	-162,300
MISCELLANEOUS OPERATING REVENUE	-162,300
1.488.010 - COLLECTION REVENUE JFH	-83,300
1.488.020 - RECONNECT REVENUE JFH	-75,500
1.488.040 - BAD CHECK REVENUE JFH	-3,500
TRANSPORTATION REVENUE	-4,205,700
OFF SYSTEM TRANSPORTATION REVENUE	-365,000
1.489.020 - OFF SYSTEM TRANSP REVENUE JFH	-365,000
ON SYSTEM TRANSPORTATION REVENUE	-3,840,700
1.489.040 - ON SYSTEM TRANSP REVENUE JFH	-3,840,700
OFF SYSTEM TRANSPORTATION REVENUE	-365,000
1.489.020 - OFF SYSTEM TRANSP REVENUE JFH	-365,000
ON SYSTEM TRANSPORTATION REVENUE	-3,840,700
1.489.040 - ON SYSTEM TRANSP REVENUE JFH	-3,840,700

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Delta Natural Gas Co., Inc.

EM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
PURCHASED GAS	19,270,300
PURCHASED GAS	21,430,300
1.803.000 - PURCHASED GAS JFH	21,430,300
RECOVERY OF CANADA MOUNTAIN	-2,160,000
1.922.010 - EXPENSES TRANSFERRED (CANADA MOUN	-2,160,000
OPERATION EXPENSE	8,487,700
LABOR	5,492,900
1.900.010 - TRANS & DIST. PAYROLL JLC	2,963,300
1.903.010 - CASHERING PAYROLL JLC	517,500
1.920.010 - ADMINISTRATIVE PAYROLL JLC	2,012,100
TRANSPORTATION	498,000
1.900.020 - OPR TRANSPORTATION EXPENSES JLC	408,000
1.920.020 - ADM TRANSPORTATION EXPENSES JLC	90,000
GENERAL OPERATIONS	355,200
1.871.000 - TELEMETRY COSTS ALH	34,200
1.880.010 - OPERATIONS OFFICE TELEPHONE JLC	81,600
1.880.020 - OPERATIONS OFFICE UTILITIES JLC	45,600
1.880.030 - OPERATIONS OFFICE MISC. JLC	96,000
1.880.040 - FEES TRAINING SCHOOLS JLC	30,000
1.880.050 - UNIFORMS JLC	42,000
1.880.060 - WELDING SUPPLIES ALH	13,200
1.881.010 - RENT OPERATING OFFICES JLC	2,900
1.881.020 - RENT LAND & LAND RIGHTS ALH	9,700
CUSTOMER BILLING	213,600
1.903.020 - CUSTOMER COLLECTIONS & RECORDS JF	213,600

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Page 2

Delta Natural Gas Co., Inc.

TEM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
UNCOLLECTIBLE ACCOUNTS	276,000
1.904.000 - UNCOLLECTIBLE ACCOUNTS JFH	276,000
ADMINISTRATIVE	615,400
1.921.010 - ADM TELEPHONE JLC	138,000
1.921.030 - BOOKS & SUBSCRIPTIONS JFH	28,800
1.921.040 - COMPANY FORMS JLC	60,000
1.921.050 - SMALL SUPPLY ITEMS JLC	60,000
1.921.060 - MISCELLANEOUS OTHER ITEMS JLC	168,000
1.921.070 - EMPLOYEE MEMBERSHIPS JLC	3,600
1.921.080 - SAFETY LITERATURE & EDUCATION JLC	7,200
1.921.090 - ENGR & DRAFTING SUPPLIES ALH	12,000
1.921.100 - ADM UTILITIES JLC	30,000
1.921.210 - TRAVEL ETC CO BUS PRES & CEO GRJ	16,000
1.921.220 - TRAVEL ETC CO BUS OFFICERS GRJ	12,000
1.921.230 - TRAVEL ETC CO BUS OPER & CONST ALH	24,000
1.921.240 - TRAVEL ETC CO BUS ADM&CUST SER JLC	7,200
1.921.250 - TRAVEL ETC CO BUS PUB AFFAIRS RCH	1,300
1.921.260 - TRAVEL ETC CO BUS FINANCE JFH	8,900
1.921.290 - CO. BUS. MEALS & ENTERTAINMENT JFH	38,400
OUTSIDE SERVICES	349,500
1.923.010 - OUTSIDE SERVICES LEGAL GRJ	72,000
1.923.020 - OUTSIDE SERVICES ACCOUNTING JFH	93,600
1.923.030 - OUTSIDE SERVICES JANITORIAL JLC	51,600
1.923.040 - OUTSIDE SERVICES OTHER ALH	87,400

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Thursday, August 12, 1999 3:18:19 PM

Delta Natural Gas Co., Inc. Fiscal 1999 P&L Budgets

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
1.923.050 - OUTSIDE SERVICES COMPUTERS JFH	44,900
INSURANCE	404,000
1.924.000 - INSURANCE JFH	404,000
EMPLOYEE BENEFITS	1,478,800
1.926.020 - PENSION JLC	346,000
1.926.030 - EMPLOYEE 401K PLAN JLC	156,000
1.926.040 - MEDICAL COVERAGE JLC	804,000
1.926.050 - SALARY CONTINUATION COVERAGE JLC	100,800
1.926.060 - EMPLOYEE STOCK PLAN JLC	60,000
1.926.070 - EMPLOYEE EDUCATION JLC	6,000
1.926.080 - EMPLOYEE RECREATION & SOCIAL JLC	6,000
GENERAL ADMINISTRATION	528,200
1.913.000 - ADVERTISING JLC	20,000
1.928.000 - REGULATORY COMMISSION EXPENSE JFH	80,800
1.930.010 - DIRECTOR FEES & EXPENSES JFH	88,800
1.930.020 - COMPANY MEMBERSHIPS JLC	40,000
1.930.030 - FEES CONVENTIONS & MEETINGS JLC	5,200
1.930.040 - MARKETING JLC	42,000
1.930.050 - COMPANY RELATIONS JLC	32,000
1.930.060 - TRUSTEE, REGISTRAR, AGENT FEES JFH	48,900
1.930.080 - STOCKHOLDER REPORTS JFH	49,700
1.930.090 - CUSTOMER & PUBLIC INFORMATION RCH	48,000
1.930.100 - PUBLIC & COMMUNITY RELATIONS GRJ	20,000
1.930.110 - CONSERVATION PROGRAM JLC	52,800

Delta Natural Gas Co., Inc.

ITEM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
EXPENSES TRANSFERRED	-1,985,900
1.922.000 - EXPENSES TRANSFERRED JFH	-1,985,900
OTHER	262,000
1.753.020 - WELLS & GATHERING MISC ALH	1,200
1.754.020 - COMPRESSOR STATION MISC. ALH	36,000
1.816.020 - CM WELLS EXPENSES - MISC ALH	4,800
1.818.020 - CM COMPRESSOR STATION EXPENSES - MI	8,000
1.821.000 - CM PURIFICATION OF NATURAL GAS ALH	7,500
1.824.020 - CM OTHER UNDERGROUND STORAGE EXP	4,000
1.825.000 - CM STORAGE WELL ROYALTIES/RENTS AL	56,100
1.856.000 - RIGHT OF WAY CLEARING ALH	70,000
1.900.030 - SMALL TOOLS & WORK EQUIPMENT JLC	74,400
MAINTENANCE EXPENSE	484,100
TRANSPORTATION	43,200
1.898.010 - MNT - TRANSP EQUIP EXPENSE-PAYROLL J	26,400
1.898.020 - MNT - POWER OPR EQUIP EXPENSE-PAYRO	16,800
MAINS	72,000
1.887.020 - MNT TRANS & DIST MAINS OTHER ALH	72,000
METER & REGULATORS	45,000
1.893.020 - MNT OF METERS & REG OTHER ALH	45,000
OTHER	323,900
1.764.020 - MNT WELLS & GATHERING OTHER ALH	1,200
1.765.020 - MNT COMPRESSOR STATION OTHER ALH	18,000
1.831.020 - CM MAINTENANCE STRUCTURES & IMPRO	10,000
1.833.020 - CM MAINTENANCE OF LINES - MISC ALH	2,000

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Thursday, August 12, 1999 3:18:19 PM

Delta Natural Gas Co., Inc.

EM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
1.834.020 - CM MAINTENANCE OF COMPRESSOR STAT	6,000
1.835.020 - CM MAINTENANCE OF MEAS & REG STAT	4,000
1.837.020 - CM MAINTENANCE OF OTHER EQUIPMENT	2,400
1.886.000 - MNT STRUCTURES TRANS & DIST. ALH	4,200
1.889.000 - MNT REG STATION TRANS & DIST. ALH	5,000
1.894.020 - MNT OF OTHER EQUIPMENT OTHER ALH	72,000
1.932.010 - MNT COMMUNICATION EQUIPMENT JLC	66,000
1.932.020 - MNT OFFICE EQUIPMENT JLC	30,000
1.932.030 - MNT GENERAL STRUCTURES JLC	36,000
1.932.050 - MAINTENANCE COMPUTER EQUIPMENT J	67,100
DEPRECIATION EXPENSE	3,844,800
DEPRECIATION EXPENSE	3,844,800
1.403.000 - DEPRECIATION EXPENSE JFH	3,844,800
TAXES OTHER THAN INCOME TAXES	1,262,500
PAYROLL TAXES	485,500
1.408.030 - PAYROLL TAXES JFH	485,500
INCOME TAXES	1,442,000
CURRENT FEDERAL	1,467,500
1.409.070 - ESTIMATED INTERIM INCOME TAXES JFH	1,467,500
DEFERRED FEDERAL & STATE	-25,500
1.410.010 - AMORT OF REGULATORY LIABILITY JFH	-25,500
NON REGULATED INCOME	-542,800
INCOME TAXES NON REGULATED	19,400
1.409.080 - INCOME TAXES NON-REGULATED JFH	19,400
OTHER NET INCOME BEFORE INCOME TAXES	-51,200

Delta Natural Gas Co., Inc.

EM64 - 1999 Budget of bas120 (Reporter)

Thursday, August 12, 1999 3:30:00 PM

**Delta Natural Gas Co., Inc.
Fiscal 1999 P&L Budgets**

DELTA NATURAL GAS CO, INC.

Layer 2 of 7

	Fiscal 1999 Budget
1.415.010 - LABOR SERVICE REVENUE JFH	-7,600
1.415.020 - MERCHANDISING REVENUE JFH	-54,000
1.415.030 - SALES TAX COMMISSION JFH	-7,200
1.416.010 - LABOR SERVICE EXPENSE JLC	7,200
1.416.020 - MERCHANDISING EXPENSE JFH	42,000
1.419.000 - INTEREST & DIVIDEND INCOME JFH	-20,400
1.421.000 - MISC NON OPERATING INCOME JFH	-1,200
1.426.020 - LIFE INSURANCE CO. BENEFICIARY JLC	-10,000
INTEREST ON LONG TERM DEBT	3,906,600
1.427.000 - INTEREST ON LONG TERM DEBT JFH	3,906,600
OTHER INTEREST	636,000
INTEREST ON SHORT TERM DEBT	606,000
1.431.020 - INTEREST ON SHORT-TERM DEBT JFH	606,000
OTHER INTEREST	30,000
1.431.010 - INTEREST ON CUSTOMER DEPOSITS JFH	30,000
AMORTIZATION OF DEBT EXPENSE	162,000
1.428.000 - AMORT OF DEBT EXPENSES JFH	162,000
Net Income	-3,151,200

65. Walker Exhibit 6, Page 1 shows that the actual 1998 test year revenues include \$16,260,037 for GCR related revenues. This is consistent with the actual 1998 total purchased gas cost of \$16,260,037 shown on page 319 of the 1998 FERC Form 2. Please reconcile these 1998 GCR revenues and purchased gas expenses of \$16,260,037 to the actual 1998 purchased gas expenses of \$14,147,177 shown on FR 7(a).

RESPONSE:

\$16,260,037 is the amount gas supply cost recovered through application of the Company's GCR. This amount includes the authorized Canada Mountain costs that are recovered through the GCR and reflected in the Company's gas sales revenues. It is my understanding that the \$14,147,177 amount shown on FR(7) is the gas supply cost exclusive of the Canada Mountain cost recoveries.

WITNESS: Randall Walker

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

66. With regard to Other Miscellaneous Service revenues please provide the following information:
- a. a breakout of the 1998 revenues of \$152,009 by specific revenue component on a monthly and total annual basis.
 - b. a breakout of the actual 1999 revenues through July 31, 1999 by specific revenue component on a monthly and total basis.

RESPONSE: See Attached

WITNESS: John Brown

Delta Natural Gas Co., Inc.
Other Miscellaneous Revenue
AG 66

1999

Layer 1 of 2

	Jan	Feb	Mar	April	May	June	July	TOTAL
MISCELLANEOUS REVENUE	13,205	12,175	15,040	20,895	21,080	15,590	14,305	112,290
1488010 - COLLECTION REVENUE	5,805	6,585	10,680	13,755	13,800	10,680	9,435	70,740
1488020 - RECONNECT REVENUE	6,480	5,080	3,480	6,440	6,600	4,280	4,480	36,840
1488040 - BAD CHECK REVENUE	920	510	880	700	680	630	390	4,710

Delta Natural Gas Co., Inc.
Other Miscellaneous Revenue
AG 66

1998

Layer 2 of 2

	Jan	Feb	Mar	April	May	June	July	Sep	Oct	Nov	Dec	TOTAL
MISCELLANEOUS REVENUE	8,523	10,115	13,620	22,754	15,069	10,009	10,434	6,345	7,875	23,865	17,620	152,009
1488010 - COLLECTION REVENUE	5,115	6,675	9,420	15,630	10,275	6,885	7,290	3,675	2,925	2,415	3,840	77,955
1488020 - RECONNECT REVENUE	2,320	2,740	3,160	6,220	4,200	2,560	2,720	2,240	4,480	21,040	13,040	66,160
1488030 - METER TEST REVENUE	8	0	20	4	4	4	4	0	0	0	0	44
1488040 - BAD CHECK REVENUE	1,080	700	1,020	900	590	560	420	430	470	410	740	7,850

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

67. With regard to Exhibit MJB-3, please confirm the following information:

- a. The average number of residential customers have grown from 1991 through 1998 at an average annual compound growth rate of 2.84%. If you do not agree, please indicate your disagreement and provide the correct average annual compound growth rate for this period.
- b. The average number of commercial customers have grown from 1991 through 1998 at an average annual compound growth rate of 2.38%. If you do not agree, please indicate your disagreement and provide the correct average annual compound growth rate for this period.

RESPONSE:

- a. Our calculation yields a result of 2.84% average increase for residential.
- b. Our calculation yields a result of 2.38% average increase for commercial.

WITNESS:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

68. With regard to Off System Transportation sales, please provide the following information:
- a. What is the current rate per MCF sales? If there is not one single rate, provide the average rate per MCF.
 - b. Provide the actual MCF volumes of sales for 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.

RESPONSE:

See Attached

WITNESS:

John Brown

DELTA NATURAL GAS COMPANY, INC.

Item 68

CASE NO. 99-176

For the 12 Months Ended 12-31-98

Line No.

1 **Item 68.a.**

2

3

The Off-System Transportation rate is \$.26 per dry decatherm.

4

5

6

7 **Item 68.b.**

8

OFF SYSTEM
TRANSPORTATION
MCF

YR END

9

1995

1,283,917

10

1996

1,051,350

11

1997

1,372,205

12

1998

1,404,111

13

12 mo ended 6/99

1,144,356

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

69. With regard to the GS Transportation sales and revenues (shown to be \$1,469,977 for 1998 on Walker Exhibit 6, p. 1), please provide the following information:
- a. 12-month average annual GS commercial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly GS commercial transportation customers for the 1998 test year and for 1999 through July.
 - b. 12-month average annual GS industrial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly GS industrial transportation customers for the 1998 test year and for 1999 through July.
 - c. Actual annual MCF sales volumes for GS commercial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - d. Actual annual MCF sales volumes for GS industrial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.

The current rate per MCF sales for GS commercial transportation and for GS industrial transportation. If there is more than one rate, provide the appropriate current average rate per MCF.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company

Case No. 99-176

AG-69

a-b) 12-Month Average GS Commercial and Industrial Transportation Customers

c-d) Commercial and Industrial Transportation Actual Sales Volumes-MCF

	Firm - Rate 10 & 15	
	Total	Average
1994 MCF	377,575	
Customer	476	40
1995 MCF	475,847	
Customer	515	43
1996 MCF	597,098	
Customer	533	44
1997 MCF	730,389	
Customer	614	51
1998 MCF	756,020	
Customer	605	50
Fiscal Yr 1999 MCF	815,365	

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

70. With regard to the Interruptible Transportation sales and revenues (shown to be \$1,931,707 for 1998 on Walker Exhibit 6, p. 1), please provide the following information:
- a. 12-month average annual Interruptible commercial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Interruptible commercial transportation customers for the 1998 test year and for 1999 through July.
 - b. 12-month average annual Interruptible industrial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Interruptible industrial transportation customers for the 1998 test year and for 1999 through July.
 - c. Actual annual MCF sales volumes for Interruptible commercial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - d. Actual annual MCF sales volumes for Interruptible industrial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - e. The current rate per MCF sales for Interruptible commercial transportation and for Interruptible industrial transportation. If there is more than one rate, provide the appropriate current average rate per MCF.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company

Case No. 99-176

AG-70

a-b) 12-Month Average Interruptible Transportation Customers

c-d) Interruptible Transportation Actual Sales Volumes-MCF

	Interruptible - Rate 20	
	Total	Average
1994 MCF	881,208	
Customer	355	30
1995 MCF	1,004,257	
Customer	384	32
1996 MCF	1,106,659	
Customer	404	34
1997 MCF	1,379,302	
Customer	425	35
1998 MCF	1,391,509	
Customer	445	37
Fiscal Yr 1999 MCF	1,501,360	

Delta Natural Gas Co., Inc.

Notification of Billing Rate Change

*Effective with Consumption
Based on Readings
Beginning 8/1/99*

RATE CODE	RETAIL				TRANSPORTATION			
	01	02CS	02C, 02I	04C, 04I	10	10S	15	20
CUSTOMER CHARGE	8.0000	18.3600	25.0000	200.0000	25.0000	18.3600	8.0000	200.0000
.1 - 200 MCF	6.6657	6.6657	6.6657	5.6445	2.7212	2.7212	2.7212	1.7000
200.1 - 1,000 MCF	6.4445	6.4445	6.4445	5.6445	2.5000	2.5000	2.5000	1.7000
1,000.1 - 5,000 MCF	6.0445	6.0445	6.0445	5.2445	2.1000	2.1000	2.1000	1.3000
5,000.1 - 10,000 MCF	5.4445	5.4445	5.4445	4.8445	1.5000	1.5000	1.5000	0.9000
OVER 10,000 MCF	5.0445	5.0445	5.0445	4.4445	1.1000	1.1000	1.1000	0.5000

Rate Legend

01 Residential Firm
 02CS Com Firm Meter Size AL 425 and Smaller
 02C, 02I All other Com and Ind Firm
 04C, 04I Interruptible
 10 Transportation Firm (Com/Ind)
 10S Transportation Firm (Small Commercial)
 15 Transportation Firm (Res)
 20 Transportation Interruptible

The above rates were approved by the Public
 Service Commission per Case No. 97-066-G



August 09, 1999

Distribution: Branches Bob
 Nell

Cindy
 Marian

Larry
 Connie S.

Connie K.

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

71. With regard to the Special Contracts sales and revenues (shown to be \$511,666 for actual per books 1998 on Walker Exhibit 6, p. 1), please provide the following information:
- a. 12-month average Special Contracts customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Special Contracts customers for the 1998 test year and for 1999 through July.
 - b. Actual annual MCF sales volumes for Special Contracts for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - c. The current average rate per Special Contract MCF sales.
 - d. Special Contracts sales revenues for 1994, 1995, 1996, 1997 and 1998.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company
 Case No. 99-176

AG-71

- a) 12-Month Average Special Contracts Customers
- b) Special Contracts Actual Sales Volumes - MCF
- c) Special Contracts Customers Current Average Rate per. MCF Sales
- d) Special Contracts Sales Revenues

Special Contracts	
Total	Average

1994 MCF
 Revenue 979,138
 \$302,964
 Customers 26
 Current Average Rate/MCF 0.31 2

1995 MCF
 Revenue 985,464
 \$315,665
 Customers 28
 Current Average Rate/MCF 0.32 2

1996 MCF
 Revenue 1,010,137
 \$313,854
 Customers 25
 Current Average Rate/MCF 0.31 2

1997 MCF
 Revenue 1,186,462
 \$410,649
 Customers 30
 Current Average Rate/MCF 0.35 3

1998 MCF
 Revenue 1,787,789
 \$595,308
 Customers 48
 Current Average Rate/MCF 0.33 4

Fiscal Yr 1999 MCF 2,226,763

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

72. Please provide all source documentation and workpapers used by the Company to derive the normal heating degree days of 4,693.

RESPONSE:

See Attached

WITNESS:

John Brown

HEATING DEGREE DAYS LEXINGTON, KY

Delta Natural Gas Co., Inc.

THIRTY YEAR DATA

	30 Yrs to 6-30-96	Less YE 6-30-67	Plus YE 6-30-97	30 Yrs to 6-30-97	Less YE 6/30/68	Plus YE 6/30/98	30 Yrs to 6/30/98	Less YE 6/30/69	Plus YE 6/30/99	30 Yrs to 6/30/199
JUL	20	-	-	20	1	1	20	-	-	20
AUG	59	3	-	56	4	3	55	5	-	50
SEP	1,556	62	64	1,558	83	39	1,514	20	8	1,502
OCT	8,390	340	268	8,318	289	321	8,350	296	237	8,291
NOV	17,178	570	750	17,358	722	698	17,334	552	522	17,304
DEC	26,338	908	784	26,214	800	904	26,318	938	781	26,161
JAN	31,063	851	1,025	31,237	1,090	745	30,892	1,011	887	30,768
FEB	25,274	967	670	24,977	1,065	666	24,578	799	690	24,469
MAR	18,309	468	576	18,417	581	614	18,450	800	758	18,408
APR	9,427	223	471	9,675	298	331	9,708	261	254	9,701
MAY	3,432	138	233	3,527	124	46	3,449	77	51	3,423
JUN	340	23	31	348	8	24	364	17	1	348
	141,386	4,553	4,872	141,150	5,065	4,392	141,032	4,776	4,189	140,445

30 YEAR AVERAGE DEGREE DAYS

JUL	1	1	1	1	1	1	1	1	1	1
AUG	2	2	2	2	2	2	2	2	2	2
SEP	52	52	52	52	50	50	50	50	50	50
OCT	280	277	277	277	278	278	278	276	276	276
NOV	573	579	579	579	578	578	578	577	577	577
DEC	878	874	874	874	877	877	877	872	872	872
JAN	1,035	1,041	1,041	1,041	1,030	1,030	1,030	1,026	1,026	1,026
FEB	842	833	833	833	819	819	819	816	816	816
MAR	610	614	614	614	615	615	615	614	614	614
APR	314	323	323	323	324	324	324	323	323	323
MAY	114	118	118	118	115	115	115	114	114	114
JUN	11	12	12	12	12	12	12	12	12	12
	4,712	4,726	4,726	4,726	4,701	4,701	4,701	4,683	4,683	4,683

Σ of
 (Calendar 1998) = 4,693

73. With regard to Mr. Walker's schedule entitled "Year End Adjustment" and Walker Exhibit 7, page 1, please provide the following information:

- (a) Walker Exhibit 7, page 1 shows that the test year 1998 per books Residential-Firm Sales customer charge revenues of \$3,082,688 are derived as follows: average monthly # of customers of 32,111 x 12 months = 385,336 customer bills x 8.00 per customer bill = \$3,082,688.

Making a similar calculation for the test year end # of Residential-Firm Sales customer charge revenues results in the following annualized revenues: 32,940 x 12 months = 395,280 customer bills x 8.00 per customer bill = \$3,162,240.

The difference between the annualized Residential-Firm Sales customer charge revenues of \$3,162,240 and the annual per books revenues of \$3,082,688 is \$79,552. This is 12 times than the Company's calculated revenue adjustment of \$6,632. Please confirm that the annualized amount of \$6,632 is understated and should be \$79,552 because the Company failed to multiply this amount by 12 to reflect the full annual impact. If you do not agree, explain your disagreement in detail.

- (b) Please confirm that the additional revenue adjustments for customer charges shown under column (5) of Mr. Walker's "Year End Adjustment" schedule for the other customer classes (i.e., the amounts of \$4,186, \$75 and \$(25)) are similarly understated and should be 12 times higher for the same reasons as described for the Residential-Firm Sales customer charge revenue adjustment in part a, above. If you do not agree, explain your disagreement in detail.
- (c) Please reconcile the Industrial-Firm Sales average 1998 customers of 62 to the average 1998 Industrial Sales customers of 69 shown on MJB-3.

RESPONSE:

- (a) I agree that the additional customer charge revenue is understated by \$72,920 as a result of applying the monthly customer charge to the difference between the average and year-end number of customers rather than to the difference between the 1998 billings (customer-months) and the number of year-end customers (annualized). As pointed out in part b of this data request, this same oversight was also made with respect to customer charge revenues applicable to the other customer classes. As a result, the year-end revenue adjustment should be increased from \$304,119 to \$423,666 and the offsetting expense adjustment increased from \$54,487 to \$75,906. A Revised Walker Exhibit 5 showing these changes, is attached.
- (b) See part a, above.
- (c) See Walker Exhibit 5, column 1, the year end adjustment. The average number of Industrial-Firm Sales customers shown on that exhibit is 62. There are 7 Interruptible Sales customers, all of which are industrial, shown on that same exhibit. MLB-3 includes both the firm and the interruptible customers.

WITNESS: Randall Walker

Delta Natural Gas Company, Inc.
Case No. 99-176

Adjustment to Reflect Year-End Customers over Average
For The 12 Months Ended December 31, 1998

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1998	Customers Served at Dec. 31, 1998	Year-End Over (Under) Average	Customer Charge	Additional Revenue (cust. Chg.)	Weather Normalized Mcf	Average Mcf per Customer per month	Year-End Mcf Adjustment	Rate per Mcf	Additional Revenue (Mcf. Chgs)	Year-End Revenue Adjustment
Cust.-Mos.	Annualized	col (2) - col (1)	col (4) x col (3)	col (4) x col (3)	col (6) x col (1)	col (7) x col (3)	col (7) x col (3)	col (9) x col (8)	col (9) x col (8)	col (5) + col (10)
REVENUE ADJUSTMENT										
Residential-Firm Sales	385,332	9,948	\$ 8.00	\$ 79,584	2,516,817	7	64,976	\$ 2.7212	\$ 176,812	\$ 256,396
0.1 - 200 Mcf / mo.					2,516,817		64,976		176,812	
Small Commercial-Firm Sales	49,416	2,736	\$ 18.36	\$ 50,233	647,063	13	35,826	\$ 2.7212	\$ 97,160	\$ 147,393
0.1 - 200 Mcf / mo.					626,229		34,672		94,350	
200.1 - 1000 Mcf / mo.					17,501		969	\$ 2.5000	2,422	
1000.1 - 5000 Mcf / mo.					3,333		185	\$ 2.1000	388	
Large Commercial-Firm Sales	9,300	36	\$ 25.00	\$ 900	928,389	100	3,594	\$ 2.7212	\$ 9,395	\$ 10,295
0.1 - 200 Mcf / mo.					648,638		2,511		6,832.55	
200.1 - 1000 Mcf / mo.					202,059		782	\$ 2.5000	1,955	
1000.1 - 5000 Mcf / mo.					67,218		260	\$ 2.1000	546	
5000.1 - 10000 Mcf / mo.					10,474		41	\$ 1.5000	61	
Industrial-Firm Sales	744	(12)	\$ 25.00	\$ (300)	168,119	226	(2,712)	\$ 2.7212	\$ (6,805)	\$ (7,105)
0.1 - 200 Mcf / mo.					63,808		(1,029)		(2,801)	
200.1 - 1000 Mcf / mo.					73,121		(1,179)		(2,948)	
1000.1 - 5000 Mcf / mo.					31,189		(503)		(1,056)	
Com./Indust. Firm Transport.	600	-			17,201		12,286		16,689	
Com./Indust.-Interruptible Sales	84	-			4,005		2,861	\$ 1.7000	4,863	
Com./Indust.-Interruptible Transport.	444	-			11,700		8,357	\$ 1.3000	10,864	
Special Contract - Transport.	7	5			1,496		1,069	\$ 0.9000	962	
0.1 - 1000 Mcf / mo.										
1000.1 - 5000 Mcf / mo.										
5000.1 - 10000 Mcf / mo.										
Adjustment to Revenue				\$ 130,417			113,970		\$ 293,251	\$ 423,668

EXPENSE ADJUSTMENT

Total Expenses per Books	22,875,094
Less: Gas Supply Expenses	(14,147,177)
Less: Wages and Salaries	(5,381,576)
Net Expenses	\$ 3,346,341

Net Revenue as adjusted for the elimination of GSC revenues and a full-year at current rates

Operating Ratio 17.92%

Delta Natural Gas Company, Inc.
Case No. 99-176

Adjustment to Expenses

\$ 75,906

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

74. With regard to the Industrial-Firm Sales customers shown to be 62 on average for 1998 and 61 at 12/31/98, please provide the following information:
- a. Actual average number of customers in 1995, 1996, and 1997
 - b. Actual number of customers for each month in the 1998 test year and for each month in 1999 through July 31, 1999.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company
Case No. 99-176
AG-74

Actual Average Number Industrial Firm Customers 1995, 1996, 1997
Actual Number Industrial Firm Customers 1998, 1999

a.) Actual Average Number of Industrial Firm Customers

	<u>1995</u>	<u>1996</u>	<u>1997</u>
	58	65	65

b.) Actual Number Industrial Customers 1998 & Through July 31, 1999

<u>Month</u>	<u>1998</u>	<u>1999</u>
January	65	61
February	62	61
March	62	60
April	62	61
May	63	61
June	63	61
July	63	61
August	63	
September	62	
October	61	
November	60	
December	61	
TOTAL	747	426

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

75. With regard to the Expense Adjustment data shown on Mr. Walker's exhibit entitled "Year End Adjustment," please provide the following information:
- a. Reconcile the 1998 per books wages and salaries of \$5,381,576 to the total 1998 wages and salaries of \$6,125,333 shown on page 355 of the 1998 FERC Form 2. List all components representing the difference between these two numbers.
 - b. Explain the reasons why Delta removed its wage and salary expenses from the Operating Ratio calculations:

RESPONSE:

- a. See Attached
- b. We can not determine at what point in time the Commission began requiring that wages and salaries be removed from expenses when calculating the operating ratio for this purpose. While we do not necessarily agree that wages and salaries should be removed, this was the applied methodology that was accepted by the Commission in Case No. 90-158.

Sponsoring Witness:

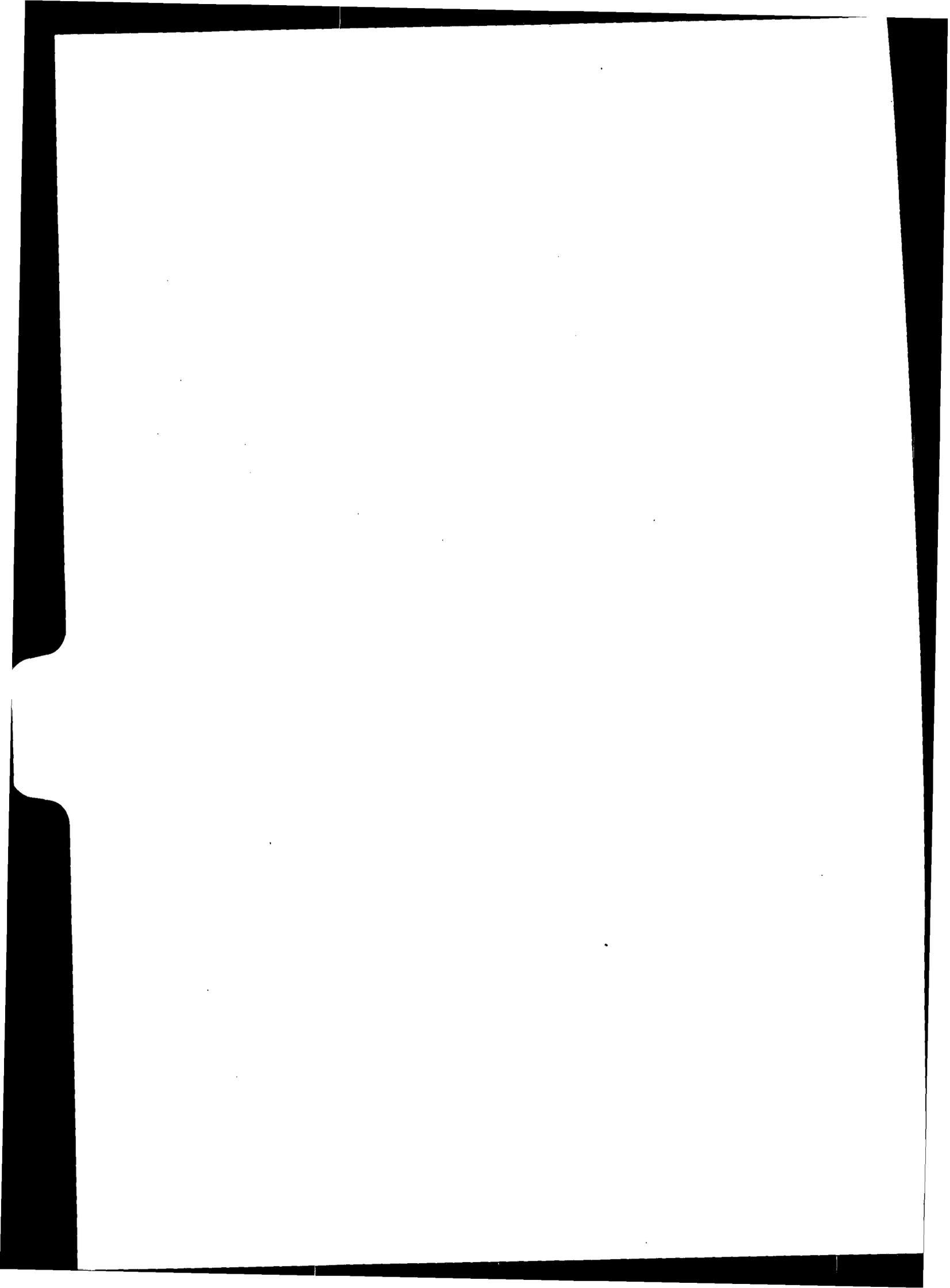
John Brown

Delta Natural Gas Company, Inc.
Case No. 99-176

Item 75 a

Line No.

1	1998 per book Wages and Salaries	5,381,576
2	Loan Forgiveness	(24,000)
3	Lobbying Expenses	3,283
4	Vacation/Personal Accural	(11,965)
5	Construction	767,796
6	Subsidiaries	8,656
7	Merchandising	2,162
8	Incorrect A/C distribution	(414)
9	Back out A/C 1.821	<u>(1,761)</u>
10	1998 Wages & Salaries (per FERC Form 2)	6,125,333



DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

76. With regard to the actual 1998 O&M expenses shown on pages 317 through 325 of the 1998 FERC Form 2, please provide the following information:
- a. The *non-labor related* maintenance expenses for Production and Gathering (page 317, line 29).
 - b. The *non-labor related* maintenance expenses for Underground Storage (page 321, line 124).
 - c. The *non-labor related* maintenance expenses for Distribution (page 324, line 228).
 - d. All *non-labor related* expenses for Customer Accounts expenses (page 325, line 237).
 - e. The *non-labor related* O&M expenses for Production and Gathering (page 317, line 30).

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.

FERC Form No. 2 O&M Accounts (excluding labor)
AG 76

Item 76

Line No.	AG Question	FERC A/C No.	FERC Line No.	Line Description	GL#/Description	Total Amount (Adjusted)
1		753	10	OTHER	1753020 - WELLS & GATHERING MISC	(1,389)
2		754	11	OTHER	1754020 - COMPRESSOR STATION MISC.	21,773
4				Total Production & Gathering Operations		20,374
5	76 - A	764		OTHER	1764020 - MNT WELLS & GATHERING OTHER	3,337
6	76 - A	765		OTHER	1765020 - MNT COMPRESSOR STATION OTHER	15,248
8	76 - A			Total Production & Gathering Maintenance		18,585
9	76 - E			Total Production and Gathering O & M		38,959
10	76 - B	831		OTHER	1831020 - CM MAINTENANCE STRUCTURES & IMPROVEMENTS - MISC	609
11	76 - B	832		OTHER	1832020 - CM MAINTENANCE OF RESERVOIRS AND WELLS - MISC	47
12	76 - B	833		OTHER	1833020 - CM MAINTENANCE OF LINES - MISC	110
13	76 - B	834		OTHER	1834020 - CM MAINTENANCE OF COMPRESSOR STAT EQUIP - MISC	5,725
14	76 - B	835		OTHER	1835020 - CM MAINTENANCE OF MEAS & REG STAT EQUIP - MISC	1,834
15	76 - B	837		OTHER	1837020 - CM MAINTENANCE OF OTHER EQUIPMENT - MISC	1,052
16	76 - B			Total Underground Storage Maintenance		9,377
17	76 - C	886		OTHER	1886000 - MNT STRUCTURES TRANS & DIST.	2,103
19	76 - C	887		MAINS	1887020 - MNT TRANS & DIST MAINS OTHER	68,262
21	76 - C	889		OTHER	1889000 - MNT REG STATION TRANS & DIST.	4,222
23	76 - C	893		METER & REGULATORS	1893020 - MNT OF METERS & REG OTHER	63,874
24	76 - C	894		OTHER	1894020 - MNT OF OTHER EQUIPMENT OTHER	72,217
25	76 - C			Total Distribution Maintenance		210,678
26	76 - D	903		CUSTOMER BILLING	1903020 - CUSTOMER COLLECTIONS & RECORDS	214,271
27	76 - D	904		UNCOLLECTIBLE ACCOUNTS	1904000 - UNCOLLECTIBLE ACCOUNTS	345,870
28	76 - D			Total Customer Account Expense		560,141

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

77. Please provide detailed workpapers and calculations showing the derivation of the Average Monthly Base Load (AMBL) for residential and small commercial customers which would have applied during the winter of 1998-1999 had the WNA been in place.

RESPONSE:

See Attached

Sponsoring Witness:

John B. Brown

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

AMBL - RESIDENTIAL				
		MCF		NUMBER OF CUSTOMERS
August 1998		30,117		30,987
September 1998		31,261		30,993
		61,378		61,980
AMBL	=	MCF	/	NUMBER OF CUSTOMERS
0.990287189	=	61378	/	61980
AMBL - SMALL COMMERCIAL				
		MCF		NUMBER OF CUSTOMERS
August 1998		9,097		3,814
September 1998		9,444		3,812
		18,541		7,626
AMBL	=	MCF	/	NUMBER OF CUSTOMERS
2.431287700	=	18,541	/	7,626

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

78. Please state whether the AMBL will be based on consumption for the months of August and September or bills for the months of August and September.

RESPONSE:

The AMBL will be based on bills for the months of August and September.

Sponsoring Witness:

John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

DATA REQUEST DATED AUGUST 11, 1999

- 79. Please explain how the Company intends to determine Normal Degree-Days. Identify the time period to be utilized and location for the measurement.**

Response:

Delta will utilize daily NOAA Weather Data collected at Lexington, Kentucky. This data is summarized on a calendar month basis and then averaged over 30 years to calculate "Normal" Degree-Days.

Witness:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

DATA REQUEST DATED AUGUST 11, 1999

- 80. Please provide the source document showing the number of Normal Degree-Days by date which the Company intends to utilize.**

Response:

See attached

Witness:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

DATA REQUEST DATED AUGUST 11, 1999

81. Please state whether it is correct that the same WNAF would apply to all customers within the relevant customer class regardless of their individual usage or other characteristics. If not, please explain.

Response:

This is correct.

Witness:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

DATA REQUEST DATED AUGUST 11, 1999

82. Please state whether the Company has prepared a backcast or similar analysis showing the effect which the WNA would have had on monthly revenues during the winter of 1998-99 had it been in place. If yes, please provide a copy of the analysis including all workpapers and supporting documentation. If not, please explain why not.

Response:

No comprehensive analysis was prepared. Our analysis focused primarily on how the methodology would effect specific customers as opposed to company-wide. See response to question 82 for this analysis on two billing cycles.

Witness:

John Brown

**DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176**

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

83. For two billing cycles of the Company's choice, please provide workpapers and supporting documentation showing the calculation of each of the following for both the residential and small commercial classes for each month of the winter of 1998-99 had the WNA been in place:
- a. The Base Load (BL)
 - b. The Heating Load (HL)
 - c. The Heating Degree Factor (HDF)
 - d. The Weather Normalization Adjustment Consumption (WNAC)
 - e. The Weather Normalization Adjustment Factor (WNAF)

RESPONSE:

See Attached

Sponsoring Witness:

John B. Brown

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

March Billing Cycle 1 - Residential

	Mcf	Customers
Residential	30,117	30,987
August 1998	31,261	30,993
September 1998	61,378	61,980

Average Monthly Base Load = Mcf / Number of Customers (AMBL = Mcf / Number of Customers)
0.990287189 = 61,378 / 61,980

Number of days in billing cycle

August 1998	28		
September 1998	28		
	56	2	= 28

Average Daily Base Load = Average Monthly Base Load / Average # Days in Two Month NonHeat Billing Cycle (ADBL = AMBL / Average # Days)

0.0353674 = 0.990287189 / 28

Base Load = Average Daily Base Load * # Days in Billing Cycle * # Customers in Billing Cycle (BL = ADBL * # DAYS IN Billing Cycle * # Customers in Billing Cycle)

9616.67900 = 0.0353674 x 28 = 0.9902872 * 9711

Heat Load = Mcf Billed in Cycle - Base Load (HL = Mcf Billed in Cycle - Base Load)

86310.32100 = 95927.0 - 9616.679

Heating Degree Factor = Normal Degree-Days / Actual Degree-Days (HDF = NDD / ADD)

1.131506849 = 826 / 730

Weather Normalization Adjustment Consumption = Heating Degree Factor * Heat Load + Base Load (WNAC = HDF * HL + BL)

107277.39835 = 1.131506849 * 86310.32100 = 97660.71935 + 9616.67900

Weather Normalization Adjustment Factor = Weather Normalization Adjustment Consumption / Mcf Billed in Cycle (WNAF = WNAC / MCF)

1.118323291 = 107277.39835 / 95927.0

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

March Billing Cycle 1 - Small Commercial	Mcf	Customers
Small Commercial	9,097	3,814
August 1998	9,444	3,812
September 1998	18,541	7,626
	=	= 2.431287700

Average Monthly Base Load = Mcf / Number of Customers (AMBL = Mcf / Number of Customers)
 $2.431287700 = 18,541 / 7,626$

Number of days in billing cycle

August 1998	28
September 1998	28
	56
	/
	2
	=
	28

Average Daily Base Load = Average Monthly Base Load / Average # Days in Two Month NonHeat Billing Cycle (ADBL = AMBL / Average # Days)

$0.086631704 = 2.431287700 / 28$

Base Load = Average Daily Base Load * # Days in Billing Cycle * # Customers in Billing Cycle (BL = ADBL * # DAYS IN Billing Cycle * # Customers in Billing Cycle)

$3274.94440 = 0.0866317 \times 28 = 2.4312876 \times 1,347$

Heat Load = Mcf Billed in Cycle - Base Load (HL = Mcf Billed in Cycle - Base Load)

$23354.95560 = 26629.9 - 3274.9444$

Heating Degree Factor = Normal Degree-Days / Actual Degree-Days (HDF = NDD / ADD)

$1.131506849 = 826 / 730$

Weather Normalization Adjustment Consumption = Heating Degree Factor * Heat Load + Base Load (WNAC = HDF * HL + BL)

$29701.23662 = 1.131506849 * 23354.95560 + 26426.29222 + 3274.94440$

Weather Normalization Adjustment Factor = Weather Normalization Adjustment Consumption / Mcf in Billing Cycle (WNAF = WNAC / MCF)

$1.115334140 = 29701.23662 / 26629.9$

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

April Billing Cycle 1 - Residential	Mcf	Customers
Residential	30,117	30,987
August 1998	31,261	30,993
September 1998	61,378	61,980 = 0.990287189

Average Monthly Base Load = Mcf / Number of Customers (AMBL = Mcf / Number of Customers)
0.990287189 = 61,378 / 61,980

Number of days in billing cycle		
August 1998	28	
September 1998	28	
	56 /	2 = 28

Average Daily Base Load = Average Monthly Base Load / Average # Days in Two Month NonHeat Billing Cycle (ADBL = AMBL / Average # Days)

0.0353674 = 0.990287189 / 28

Base Load = Average Daily Base Load * # Days in Billing Cycle * # Customers in Billing Cycle (BL = ADBL * # DAYS IN Billing Cycle * # Customers in Billing Cycle)

11826.50489 = 0.0353674 x 35 = 1.237859 x 9554

Heat Load = Mcf Billed in Cycle - Base Load (HL = Mcf Billed in Cycle - Base Load)

97973.89511 = 109800.4 - 11826.50489

Heating Degree Factor = Normal Degree-Days / Actual Degree-Days (HDF = NDD / ADD)

0.873385013 = 676 / 774

Weather Normalization Adjustment Consumption = Heating Degree Factor * Heat Load + Base Load (WNAAC = HDF * HL + BL)

97395.43654 = 0.873385013 x 97973.89511 + 85568.93165 + 11826.50489

Weather Normalization Adjustment Factor = Weather Normalization Adjustment Consumption / Mcf Billed in Cycle (WNAF = WNAAC / MCF)

0.887022602 = 97395.43654 / 109800.4

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

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Page 4 of 4

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

April Billing Cycle 1 - Small Commercial	Mcf	Customers
Small Commercial	9,097	3,814
August 1998	9,444	3,812
September 1998	18,541	7,626 = 2.431287700

Average Monthly Base Load = Mcf / Number of Customers (AMBL = Mcf / Number of Customers)
2.431287700 = 18,541 / 7,626

Number of days in billing cycle

August 1998	28	
September 1998	28	
	56 /	2 = 28

Average Daily Base Load = Average Monthly Base Load / Average # Days in Two Month NonHeat Billing Cycle (ADBL = AMBL / Average # Days)

0.086831704 = 2.431287700 / 28

Base Load = Average Daily Base Load * # Days in Billing Cycle * # Customers in Billing Cycle (BL = ADBL * # DAYS IN Billing Cycle * # Customers in Billing Cycle)

4121.03248 = 0.0868317 x 35 = 3.0391095 x 1,356

Heating Load = Mcf Billed in Cycle - Base Load (HL = Mcf Billed in Cycle - Base Load)

25950.56752 = 30071.6 - 4121.03248

Heating Degree Factor = Normal Degree-Days / Actual Degree-Days (HDF = NDD / ADD)

0.873385013 = 676 / 774

Weather Normalization Adjustment Consumption = Heating Degree Factor * Heat Load + Base Load (WNAC = HDF * HL + BL)

26785.86923 = 0.873385013 x 25950.56752 = 22664.83675 + 4121.03248

Weather Normalization Adjustment Factor = Weather Normalization Adjustment Consumption / Mcf in Billing Cycle (WNAF = WNAC / MCF)

0.890736417 = 26785.86923 / 30071.6

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

84. Please state whether the Company has made any changes to Original Sheet Nos. 30-35 of P.S.C. No. 9 contained in the tariff sheets filed in this proceeding compared to Original Sheet Nos. 30-35 of P.S.C. No. 8 filed in Case No. 99-070. If yes, please explain all such changes.

RESPONSE:

Yes. See the testimony of William S. Seelye in Case No. 99-046 filed on May 21, 1999 for an explanation of changes.

Sponsoring Witness:

John F. Hall

85. Please state whether the Company would agree that the reference to case No. 97-066 under part (a) of Performance-Based Cost Controls on Sheet No. 33 of P.S.C No. 9 should be revised to Case No. 990176 in order to reflect the Commission's findings in this proceeding. If not, explain why not.

RESPONSE:

Yes.

WITNESS: Steve Seelye

86. Please state whether the Company is aware of any changes which are necessary to its responses to the Attorney General's or the Commission's data requests in Case No. 99-070 with regard to the Company's proposed ARP. If yes, please identify the responses requiring modification and provide revised responses.

RESPONSE:

See Delta's Response to item 19 of the Commission's Order dated August 11, 1999.

WITNESS: Steve Seelye

87. Reference Mr. Seelye's testimony at page 3, line 10. Is the fully allocated cost study performed by Mr. Seelye also characterized as a fully allocated, average, embedded class cost of service study? If not, explain which term does not properly characterize the study performed by Mr. Seelye.

RESPONSE:

The study, including the derivation of unit costs, can be characterized as a "fully allocated, average, embedded class cost of service study."

WITNESS: Steve Seelye

88. Reference Mr. Seelye's testimony at page 3, line 17. The words rats and cost appear therein.

a. Confirm that, as stated, the reference rate/cost comparison is the relationship between average revenue per unit of service and average cost per unit of service. If Mr. Seelye disagrees, please explain exactly what Mr. Seelye disagrees with and explain precisely why.

b. Confirm that the "indication" Mr. Seelye is addressing here could also be performed by comparing class revenues to the allocated costs of providing service to each customer class. Again, if Mr. Seelye cannot confirm this statement, please state what is wrong and why it is wrong.

RESPONSE:

a. Page 3, lines 15-18 of the Direct Testimony of Steve Seelye states that "[o]ur objective in performing the cost of service study is to determine the rate of return on ratebase that Delta is earning from each customer class, which provides an indication as to whether Delta's gas service rates reflect the cost of providing service to each customer class." The referenced "rate/cost comparison" is the relationship between class revenue and cost of service. In calculating the class rates of return, unit costs are not compared.

b. The referenced sentence of the testimony does relate to a comparison of class revenues to the allocated costs of providing service. Even though unit costs were eventually calculated in the study, the unit costs are not what was being referred to in the referenced sentence in the testimony.

WITNESS: Steve Seelye

89. a. Please explain why DEM02, was used to allocate storage demand-related costs to class.

b. Are transportation volumes included in "class deliveries?" (Seelye Testimony, page 8, line 14) Why or why not?

RESPONSE:

a. Delta's storage facilities are utilized to meet winter season peak requirements for firm sales transportation customers.

b. Firm transportation customers receive a full allocation; whereas, transportation volumes for interruptible service are not included. Transportation customers are using Delta's system to deliver their gas from the point(s) of receipt on Delta's system to the point of delivery at the customer meter. During peak conditions, as the need may arise, service to interruptible customers can be curtailed. Therefore, storage facilities do not need to be installed to meet interruptible transportation demands.

90. Refer to Seelye testimony, page 8, lines 18-20.

- (a) Please provide the workpapers detailing the derivation of class maximum demands at zero-degree design day temperatures.
- (b) What is the frequency of expected design-day temperature? Once in 10 years? 15 years? 20 years? etc. Provide workpapers.

RESPONSE:

- (a) See Seelye Exhibit 3 for the calculations.
- (b) If the possibility of having a design-day exists, the Company must plan its system to meet that event regardless of whether the expectations of such a day occurring is once in 10 years or once in 50 years. The principle use of natural gas by residential and small commercial customers is for space heating. Therefore, a natural gas distributor can not play a game of chance with respect to its capability of meeting the requirements of customers on the coldest day during the winter. In response to this question, during the last 30 years a zero day or below occurred 16 times. The dates are as follows:

Jan. 8, 1970
Jan. 11, 1977
Jan. 17, 1977
Jan. 10, 1982
Jan. 17, 1982
Dec. 24, 1983
Dec. 25, 1983
Jan. 21, 1984
Jan. 20, 1985
Jan. 21, 1985
Dec. 22, 1989
Dec. 23, 1989
Jan. 15, 1994
Jan. 18, 1994
Jan. 19, 1994
Feb. 6, 1996

WITNESS: Steve Seelye

91. Reference Seelye Testimony, page 10, lines 1-2. Please provide workpapers for the estimated cost of installing a typical service line per customer in each customer class.

RESPONSE:

Delta did not have accounting cost information detailing the unit cost of services by customer type or by type of service. Therefore, we utilized information from LG&E's most recent cost of service study filed with the Commission to estimate weighting factors for gas services. The workpapers are attached.

WITNESS: Steve Seelye

Delta Natural Gas Company, Inc.

Estimated Weighting Factors for Gas Services
Based on Louisville Gas and Electric Company's
Cost of Service Study

Delta Rate Class	Comparable LG&E Rate Class	Weight	Unit Cost of Gas Services	Estimated Weighting Factor
Residential	Residential G-1	100% \$	136.27 \$	136.27
Small Commercial	Residential G-1 (50%)	50% \$	136.27 \$	68.135
	Commercial G-1 (50%)	50%	172.76	86.380
			\$ 154.515	
Large Commercial and Industrial	Commercial G-1	100% \$	172.76 \$	172.76
Interruptible	Commercial G-1	100% \$	172.76 \$	172.76
Special Contracts	Industrial G-1	100% \$	214.63 \$	214.63

Note: The small commercial class is weighted between residential and small commercial because Delta's Small Commercial customers are closer in size (annual Mcf) to residential customers than to LG&E's Commercial G-1 customers.

92. Reference Mr. Seelye Testimony, page 11, lines 3-14.

a. Did Mr. Seelye or Delta investigate the use of the minimum system methodology for use in this proceeding? If no, why not.

b. If the answer to a. is yes, please provide any assembled minimum system cost data, any calculations, and any results of any study of the minimum system methodology performed on the Delta system.

RESPONSE:

See Delta's Response to items 15 and 16 of the Commission's Order dated August 11, 1999.

WITNESS: Steve Seelye

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

93. Please provide gas-delivery-to-end-user interruption experience on the Company's system, for gas otherwise reaching the Company's citygates, for the last ten years:

RESPONSE:

For the last ten years, Delta has not interrupted any end-user's gas that had reached Delta's city gate stations.

Sponsoring Witness:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

94. For the ten largest company construction projects to provide service to new customers (as opposed to construction projects related to maintenance) since 1995, please provide the information provided to managers responsible for the approval of such projects.

RESPONSE:

Delta bases its decisions on construction projects based upon the 200 foot per customer criteria discussed in Delta's response to Commission Staff Request No. 48 (2nd Staff Request). All projects are considered in light of this policy, and thus management reviews the expected construction footage and potential in any area reviewed for new service.

WITNESS: Glenn R. Jennings

95. Reference Seelye Testimony, page 12, line 1.

a. Please provide copies of any relevant source material Mr. Seelye relied upon for his understanding that the zero intercept method rests upon a linear, as opposed to, say a curvilinear relationship.

b. Did Mr. Seelye investigate whether a curvilinear relationship between unit cost and pipe diameter produced a statistically better relationship than a linear relationship? If not why not? If yes, please provide the study and its results.

RESPONSE:

The linear model used in the study produces an R-Square of 0.8286, which indicates a reasonable "goodness of fit" for the model. Adding additional polynomial terms to the model, or using other non-linear techniques, could indeed produce a higher R-Square. If enough terms were added (eg., $n-1$ polynomial terms, where n represents the number of points) then a perfect fit could be achieved, by effectively connecting each and every point in the data set, much like a "connect the dots" picture that children sometimes play with. In fact, cubic splines and certain techniques involving Fourier series are designed to perform exactly this function.

The purpose of the linear estimation procedure used in the zero-intercept analysis is to quantify the underlying relationships represented by the data. A high enough degree polynomial will result in a perfect fit, but this does not mean that we have done any better job capturing the underlying relationships. Arbitrarily changing the functional form of the model to improve R-Square does not translate into a better model in terms of explaining the underlying relationships.

In addition, a curvilinear model could be constructed in such a way as to produce virtually any intercept that may be desired by the analyst, including forcing the intercept to go through the origin. This is why we are skeptical of using some arbitrary curvilinear model for purposes of determining the zero-intercept. Using a linear model is a straightforward approach to determining fixed/variable cost relationships and is much less subject to analyst manipulation than curvilinear estimation. Since there is an infinite number of non-linear forms, with curvilinear estimation an analyst could choose any form that suits his or her fancy.

WITNESS: Steve Seelye

96. Reference Mr. Seelye Testimony, page 12, line 17 – page 13, line 8. Provide whatever authoritative text support or other authoritative support Mr. Seelye is aware of for the weighting scheme he proposes in applying the zero intercept methodology to Delta.

RESPONSE:

The estimation formulas can be derived using differential calculus. Also, see Samprit Chatterjee and Bertram Price, *Regression Analysis By Example*, Wiley, 1977.

WITNESS: Steve Seelye

97. Please have Mr. Seelye describe, based on his understanding of Delta's operations and his understanding of local distribution company operations in general, the basic service that Delta provides to its end user sales and transportation customers.

RESPONSE:

Delta provides two forms of service under its tariff, firm service under the General Service Rate-GS and interruptible service under Interruptible Service Rate-IS. Within each category, Delta provides both retail sales service and transportation service.

Retail sales is where Delta secures and sells the product (natural gas) to the end user as well as providing the distribution services required to deliver the gas. General Service sales customers are served on a firm basis whereas Interruptible Service sales customers are subject to interruption as operational conditions warrant.

Transportation service is where Delta provides the distribution services required to deliver gas that the customer has purchased from some other suppliers. General Service (GS) transportation customers are charged the same base rates as the retail sales customers served under the GS rate schedule and, therefore, are accorded the same level of firm service. Any gas purchased from the Utility by a GS transportation customer is priced at the same rate as that sold to the GS retail sales customers. Interruptible (IS) transportation are charged the same base rates as the retail sales customers served under the IS rate schedule and, therefore, are subject to interruption. Any gas purchased, when available, from the Utility by an IS transportation customer is priced at the same rate as that sold to the IS retail sales customers.

WITNESS: Steve Seelye

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

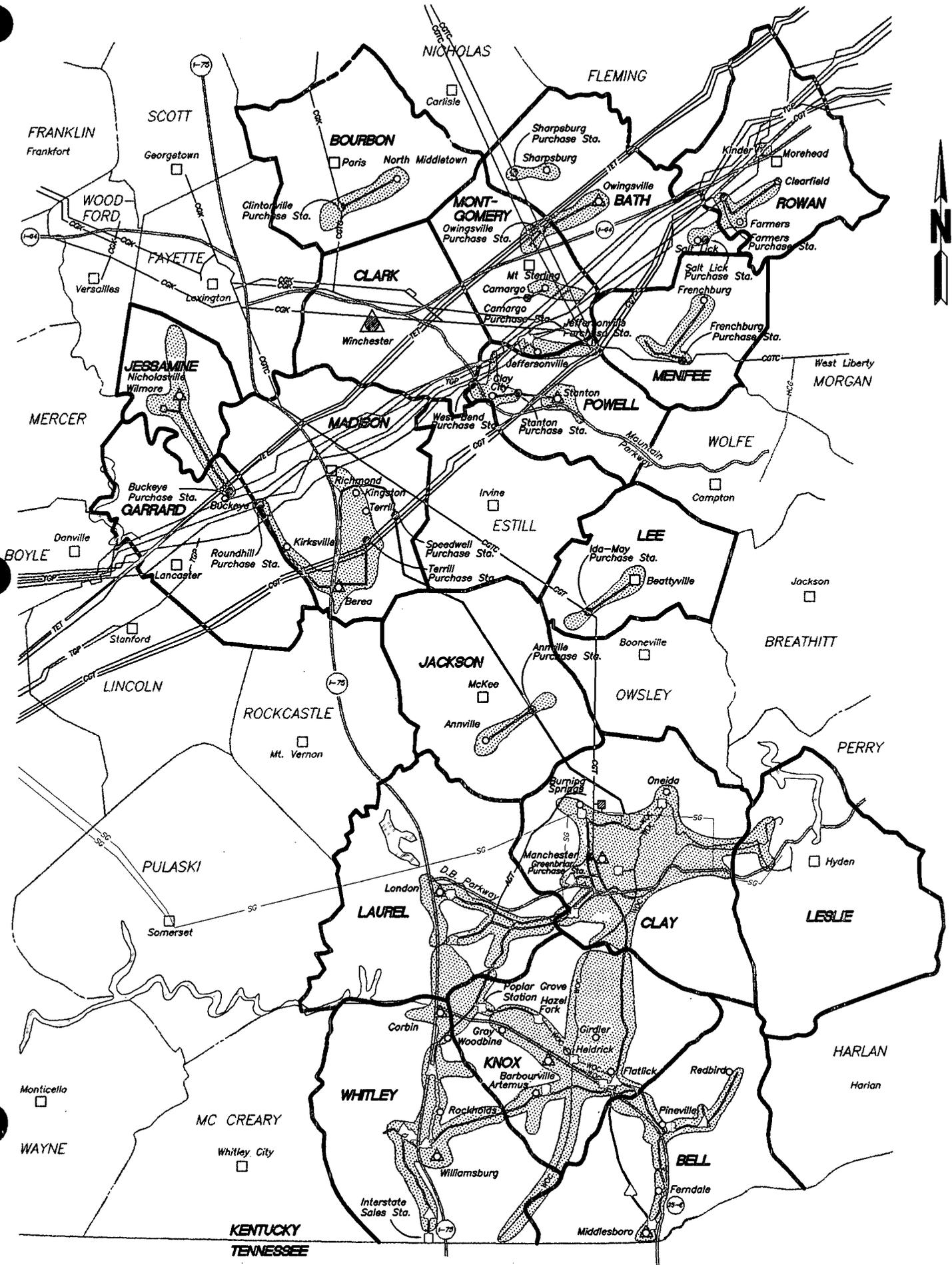
98. Please provide a map of the Delta natural gas distribution system. Please annotate the map to locate pipeline interconnections, and any LNG or propane or other peak shaving facilities.

RESPONSE:

See attached map.

WITNESS: Glenn R. Jennings

DELTA NATURAL GAS COMPANY INC. SERVICE AREA



99. a. Please provide a listing of all allocation factors and their numerical values.
- b. Separately for each demand factor, explain what each factor is (e.g. peak demand on design day excluding transmission customers, etc.) and how that factor differs from other demand allocation factors.
- c. Separately for each customer allocation factor, explain what each factor is and how that factor differs from other customer allocation factors.

RESPONSE:

- a. See Seelye Exhibit 2-35 through 2-36.
- b. See Direct Testimony of William Steve Seelye, pp. 8- 9.
- c. See Direct Testimony of William Steve Seelye, pp. 9-10.

WITNESS: Steve Seelye

100. For each demand allocator, please state the basis for the amounts of interruptible customer demands included in the allocator. If the interruptible customer demands used to determine the demand allocators are less than either the contract demands or the actual interruptible demands during recent peak demands, explain why the smaller demands have been used.

RESPONSE:

DEM01 (Gas Supply) - Interruptible load fully included based on design day requirements.

DEM02 (Storage) - Interruptible load not included. See response to item 89 of the AG's data request.

DEM03 (Transmission) - Interruptible load fully included based on design day requirements.

DEM04 (Distribution Structures) - Interruptible load fully included based on design day requirements.

DEM05 (Distribution Mains) - Interruptible load fully included based on design day requirements.

WITNESS: Steve Seelye

101. Please identify the probability of design peak day occurrence for the Company's design peak day criteria. Include supporting workpapers and documentation.

RESPONSE:

See response to item 90 of the AG's data request.

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

102. Please provide a detailed supply and requirements schedule for the company's three most recent annual peak days, including the 1996-97 winter season. The schedules should include deliveries to meet demands by source (i.e., FTS, contract storage service, on-system storage, propane, etc. by pipeline rate schedule) and requirements by customer class. Separately, identify deliveries and requirements for transportation customers. Also, provide the Company's daily sendout sheet for each peak day and the applicable weather data.

RESPONSE:

1996-1997 Estimated Peak Day Requirements:

Class 100 Residential	32,717 Mcf
Class 200 Commercial	17,617
Class 300 Industrial	<u>2,517</u>
Sub-Total	52,851
Class 500,600,800 Transportation	<u>10,066</u>
Total	<u>62,917</u>

1996-1997 Estimated Peak Day Supply:

FT-A & FT-G:	16,088 Mcf
GTS:	11,309
FTS, Local Production & Storage	25,454
Third-party transportation:	<u>10,066</u>
Total	<u>62,917</u>

1997-1998 Estimated Peak Day Requirements:

Class 100 Residential	37,048 Mcf
Class 200 Commercial	19,949
Class 300 Industrial	<u>2,542</u>
Sub-Total	59,539
Class 500,600,800 Transportation	<u>11,708</u>
Total	<u>71,247</u>

1997-1998 Estimated Peak Day Supply:

FT-A & FT-G:	16,585 Mcf
GTS:	11,659
FTS, Local Production & Storage	31,295
Third-party transportation:	<u>11,708</u>
Total	<u>71,247</u>

1998-1999 Estimated Peak Day Requirements:

Class 100 Residential	41,031 Mcf
Class 200 Commercial	22,094
Class 300 Industrial	<u>2,567</u>
Sub-Total	65,692
Class 500,600,800 Transportation	13,216
Total	<u>78,908</u>

1998-1999 Estimated Peak Day Supply:

FT-A & FT-G:	17,098 Mcf
GTS:	12,019
FTS, Local Production & Storage	38,083
Third-party transportation:	<u>11,708</u>
Total	<u>78,908</u>

SEE ATTACHED SCHEDULES FOR ACTUAL PEAK DAY SENDOUT.

1996-1997 Peak Day Supply:

FT-A & FT-G:	14,900 Mcf
GTS:	10,474
FTS, Local Production & Storage	23,575
Third-party transportation:	<u>9,323</u>
Total	<u>58,272</u>

1997-1998 Peak Day Supply:

FT-A & FT-G:	11,924 Mcf
GTS:	8,382
FTS, Local Production & Storage	22,500
Third-party transportation:	<u>8,417</u>
Total	<u>51,223</u>

1998-1999 Peak Day Supply:

FT-A & FT-G:	13,457 Mcf
GTS:	9,459
FTS, Local Production & Storage	29,972
Third-party transportation:	<u>9,214</u>
Total	<u>62,102</u>

Sponsoring Witness:

Glenn R. Jennings

Delta Natural Gas Peak Day

January 17, 1997

Nicholasville
 High 18 Degrees Fahrenheit
 Low 5 Degrees Fahrenheit

54 Degree Days

Nicholasville	10,511
Berea	9,286
Jeffersonville	378
Kinder Hilda	235
Farmers	1,136
Salt Lick	176

Total 21,722

Stanton	2,761
West Bend	199
Owingsville	2,454
Kingston	2,042
Camargo	190
Frenchburg	354
Sharpsburg	249

Total 8,249

Manchester	
E.T.B.S.	432
Greenbriar T.B.S.	499
Burning Sp.	195
Oneida	206
Prison	297

Total 1,629

Middlesboro	3,291
Pineville	703

Wiser F.T.	995
*Delta F.T.	1,924

KA1 North	0
Jellico	0

North	
System Total	29,971

South	
System Total	28,301

Corbin
 High: 18 Degrees Fahrenheit
 Low: 3 Degrees Fahrenheit

55 Degree Days

Corbin	
Poplar Grove #820	1,925
Poplar Grove #825	3,070
G.S. Knox #830	0
Ind. Park Belt #833	3,094
Southern #834	69
G & M Oil #837	121
Gray	0
Fariston	1,210

Corbin Total: 9,489

Barbourville	
Knox Gas St. 400	416
Knox Gas St. 500	858
Sowers	4
Orphanage	1
Mays #437	75
Wiser-Knox Station	2,185

Barbourville Total: 3,539

Williamsburg	
W'burg T.B.S. #700	2,052
I-75 Crossing	154
McDonald #246	1
McDonald #211	0
McDonald #221	18
Bailey #252	10
Stott #215	6
Bryant #312	0

Williamsburg Total: 2,241

East Bernstadt	1,251
London T.B.S.	2,831
London Ind. Park	9

London Total 4,091

Beattyville	390
Jackson Co. High	10

Grand Total 58,272

A Actual
 T Telemetry
 E Estimated
 F Factors

Delta Natural Gas Peak Day

March 11, 1998

Nicholasville

High 26 Degrees Fahrenheit

Low 9 Degrees Fahrenheit

47 Degree Days

Nicholasville	7,843
Berea	<u>8,097</u>
Jeffersonville	<u>265</u>
Kinder Hilda	<u>152</u>
Farmers	<u>891</u>
Salt Lick	<u>131</u>

Total 17,379

Stanton	<u>2,558</u>
West Bend	<u>0</u>
Owingsville	<u>2,470</u>
Kingston	<u>2,178</u>
Camargo	<u>291</u>
Frenchburg	<u>291</u>
Sharpsburg	<u>185</u>

Total 7,973

Manchester

S.T.B.S.	<u>372</u>
Greenbriar T.B.S.	<u>430</u>
Burning Sp.	<u>185</u>
Oneida	<u>195</u>
Prison	<u>302</u>

Total 1,484

Middlesboro	<u>2,628</u>
Pineville	<u>526</u>

Wiser F.T.	<u>795</u>
*Delta F.T.	<u>1,534</u>

KA1 North	<u>3,436</u>
Jellico	<u>0</u>

North

System Total 25,352

South

System Total 25,871

Corbin

High: 26 Degrees Fahrenheit

Low: 12 Degrees Fahrenheit

46 Degree Days

Corbin	
Poplar Grove #820	<u>0</u>
Poplar Grove #825	<u>3,444</u>
G.S. Knox #830	<u>2</u>
Ind. Park Belt #833	<u>2,524</u>
Southern #834	<u>64</u>
G & M Oil #837	<u>49</u>
Gray	<u>0</u>
Fariston	<u>889</u>

Corbin Total: 6,972

Barbourville

Knox Gas St. 400	<u>0</u>
Knox Gas St. 500	<u>761</u>
Sowers	<u>0</u>
Orphanage	<u>0</u>
Mays #437	<u>0</u>
Wiser-Knox Station	<u>1,617</u>

Barbourville Total: 2,378

Williamsburg

W'burg T.B.S. #700	<u>1,567</u>
I-75 Crossing	<u>281</u>
McDonald #246	<u>5</u>
McDonald #211	<u>3</u>
McDonald #221	<u>15</u>
Bailey #252	<u>0</u>
Stott #215	<u>20</u>
Bryant #312	<u>14</u>

Williamsburg Total: 1,905

East Bernstadt	<u>0</u>
London T.B.S.	<u>3,828</u>
London Ind. Park	<u>0</u>

London Total 3,828

Beattyville	<u>377</u>
Jackson Co. High	<u>8</u>

A Actual
T Telemetry

E Estimated
F Factors

Grand Total

51,223

Delta Natural Gas Peak Day

January 17, 1997

Nicholasville
 High 18 Degrees Fahrenheit
 Low 5 Degrees Fahrenheit

 54 Degree Days

Corbin
 High: 18 Degrees Fahrenheit
 Low: 3 Degrees Fahrenheit

 55 Degree Days

Nicholasville	10,511
Berea	9,286
Jeffersonville	378
Kinder Hilda	235
Farmers	1,136
Salt Lick	176
Total	21,722

Stanton	2,761
West Bend	199
Owingsville	2,454
Kingston	2,042
Camargo	190
Frenchburg	354
Sharpsburg	249
Total	8,249

Manchester	
E.T.B.S.	432
Greenbriar T.B.S.	499
Burning Sp.	195
Oneida	206
Prison	297
Total	1,629

Middlesboro	3,291
Pineville	703

Wiser F.T.	995
*Delta F.T.	1,924

KA1 North	0
Jellico	0

North
System Total **29,971**

South
System Total **28,301**

Corbin	
Poplar Grove #820	1,925
Poplar Grove #825	3,070
G.S. Knox #830	0
Ind. Park Belt #833	3,094
Southern #834	69
G & M Oil #837	121
Gray	0
Fariston	1,210

Corbin Total: **9,489**

Barbourville	
Knox Gas St. 400	416
Knox Gas St. 500	858
Sowders	4
Orphanage	1
Mays #437	75
Wiser-Knox Station	2,185

Barbourville Total: **3,539**

Williamsburg	
W'burg T.B.S. #700	2,052
I-75 Crossing	154
McDonald #246	1
McDonald #211	0
McDonald #221	18
Bailey #252	10
Stott #215	6
Bryant #312	0

Williamsburg Total: **2,241**

East Bernstadt	1,251
London T.B.S.	2,831
London Ind. Park	9

London Total **4,091**

Beattyville	390
Jackson Co. High	10

Grand Total **58,272**

- A Actual
- T Telemetry
- E Estimated
- F Factors

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

103. Please provide a summary identifying the salient features of each of the following currently in effect. Salient features include contract party, effective term and applicable contract entitlements (daily, annual, seasonal, etc.).
- a. All firm transportation and no-notice agreements by type. Indicate whether the capacity is available at the Company's citygate to meet design day requirements or is upstream capacity. Identify the applicable downstream pipeline for each upstream arrangement.

RESPONSE:

Tennessee Gas Pipeline:

Term: 9/1/93 – 11/01/00

Entitlements: FT-A – 1,400 Dth MDQ

FT-G – 4,248 Dth MDQ Min. & 16,211 Dth MDQ Max.

Columbia Gas Transmission:

Term: 11/1/93 – 10/31/08 and from year-to-year thereafter

Entitlements: GTS – 12,070 Dth TD; 219,497 Dth Annual GTS Quantity

Term: 11/1/93 – 10/31/94 and from year-to-year thereafter

Entitlements: GTS – 310 Dth TD; 12,686 Dth Annual GTS Quantity

Capacity is available at Delta's citygates through the TGP FT agreements and the CGT GTS agreements referenced above.

Columbia Gulf Transmission:

Term: 11/1/94 – 10/31/08 and from year-to-year thereafter

Entitlements: FTS1 - 4,103 Dth TD

Term: 11/1/94 – 10/31/95 and from year-to-year thereafter

Entitlements: FTS-1 - 105 Dth TD

Capacity on Gulf is upstream capacity. Columbia Gas Transmission is the downstream pipeline on the Gulf FTS1 agreements referenced above.

- b. All Storage, gathering and exchange agreements. Indicate if each agreement provides design day capacity at the citygate or requires separate transportation (identify) service to effectuate delivery. Include any on-system storage and peak shaving facilities used by the Company.

RESPONSE:

Tennessee Gas Pipeline:

Term: 9/1/93 – 11/01/00

Entitlements: FS-MA – 387,622 Dth MSQ; 8,636 Dth MDQ w/d & 2,585 Dth MDQ inj.

FS-PA – 186,757 Dth MSQ, 1,524 Dth MDQ w/d & 1,245 Dth MDQ inj.

Columbia Gas Transmission:

Term: 11/1/93 – 10/31/08 and from year-to-year thereafter

Entitlements: GTS - 397,123 Dth SCQ

Term: 11/1/93 – 10/31/94 and from year-to-year thereafter

Entitlements: GTS - 10,216 Dth SCQ

Capacity is available at Delta's citygates through the TGP FS agreements and the CGT GTS agreements referenced above.

ON-SYSTEM STORAGE:

Canada Mountain:

Storage Field Capacity: 6,600,000 Mcf

Maximum Daily Deliverability: 28,000 Mcf

Kettle Island:

Storage Field Capacity: 1,406,000 Mcf

Maximum Daily Deliverability: 2,000 Mcf

- c. Please reconcile the capacity entitlements identified in subparts a and b with the design day entitlements provided in response to the previous question.

RESPONSE:

The capacity entitlements identified in subparts a and b represent only a portion of Delta's design day requirements. The balance of Delta's design day requirements consists of third-party transportation volumes, spot purchases and local production.

Sponsoring Witness:

Glenn R. Jennings

DELTA NATURAL GAS COMPANY, INC.
CASE No. 99-176

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

QUESTION:

104. Please provide a detailed description of the Company's meter testing and change-out program.

RESPONSE:

104. Delta's meter testing and change-out program is performed in compliance with the Commission's regulations as stated in 807 KAR 5:006 General Rules, Section 16, Meter Testing, Section 17, Meter Test Records, and 807 KAR Gas Safety and Service, Section 8, Gas Measurement.

Delta owns and operates a meter shop at its Winchester Service Center. The meter shop and the meter provers used to test meters are periodically inspected and certified by the PSC staff. The shop is operated and supervised by employees that are PSC certified meter testers.

The PSC regulations require that positive displacement meters with a rated capacity of up to and including 500 cubic feet per hour be tested at least once every ten years; with a rated capacity of over 500 cubic feet per hour, and up to and including 1,500 cubic feet per hour be tested at least once every five years; with a rated capacity of over 1,500 cubic feet per hour be tested at least once every year.

Delta tests all diaphragm meters to assure that they are accurate within the requirements of the Commission's regulations prior to placing them in service. This includes new meters. Meters that are removed from service for rotation, or for any other reason, are tested as soon as feasible following removal. Removed meters are repaired and/or adjusted to meet the required accuracy before being placed in service again. Meters that are obsolete, or where the cost to repair is not justified, are retired and disposed of as scrap.

A list of meters that are due to be tested is prepared at the start of each year. The list is distributed to the appropriate personnel responsible for the removal and testing of those meters. Those personnel then see to it that the meters for which they are responsible are rotated and tested on a timely basis.

Proper records of every meter rotation, accuracy test, and repair are made and retained as required by the Commission's regulations. A summary report of the meter test results is filed quarterly with the Commission.

WITNESS:

John Hall

105. Please identify the bill preparation time required for each rate schedule/customer class reflected in the Company's cost of service study. Include copies of any analysis or studies conducted by the Company examining this issue.

RESPONSE:

The information requested is not available.

WITNESS: Steve Seelye

106. For each rate schedule/customer class reflected in the Company's cost of service study, please:

- a. identify the number of meter in service;
- b. identify the number of times each month the meters of the various rate schedule/customer classes are physically read (i.e., daily, bi-monthly with estimated readings on alternating months); and
- c. provide copies of any analyses or studies prepared by the Company examining meter reading time requirements by the various classes of customers served.

RESPONSE:

a. Estimated meters for each class:

Residential	32,111 Meters
Small Commercial	4,119 Meters
Large Commercial, Industrial & Interruptible	1,679 Meters
Special Contracts	9 Meters

- b. Meters are read monthly.
- c. The information requested is not available.

WITNESS: Steve Seelye

**DELTA NATURAL GAS COMPANY, INC
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

QUESTION:

107. Please provide copies of any analyses, studies or documents which identify the frequency of billing inquires by customer class and the time required to address those inquires.

RESPONSE:

107. Delta does not have any analyses, studies or documents that identify the frequency of billing inquiries by customer class.

WITNESS:

John Hall

DELTA NATURAL GAS COMPANY INC
CASE NO. 99-176

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

108. Please identify:

- a. The O&M account in which costs associated with the Company's account representatives are reflected;
- b. Total expenses associated with account representatives; and
- c. The number of representatives servicing or assigned to each particular customer class.

Response:

- a. The O & M account in which costs associated with the Company's account representatives (Cashiers) is 1.903.01.
- b. The total expenses associated with the account representatives (cashiers) are \$495,671.
- c. At 12/31/98 there were 18 Full-time account representatives (cashiers) that serviced Delta's 32,940 Residential customers, 779 Commercial-Other customers, 4,346 Commercial-Small customers, and 67 Industrial customers.

Sponsoring Witness:

John Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

109. Please provide actual and weather normalized sales volumes and number of customers by rate schedule for each month from January 1998 through that most recently available. Include supporting normalization workpapers and documentation.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 109

Rate Schedule - 01 Residential

Line No.	1	2	3	4	5	6	7	8	9	Avg # of Customers	
	MCF Sales	Days / Month	Base Load Mcf/Day	Non temp Sensitive ^{2,3}	Temp Sensitive Mcf ^{1,4}	Actual Degree Days	Mcf / Degree Day ^{5,6}	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec) ^{7,8(-)}	Normalized Mcf Sales ^{1,9}	
1	461,424	31	1,009	31,277	430,147	745	577	(315)	181,874	643,298	32,853
2	387,235	28	1,009	28,251	356,985	666	539	(188)	101,335	488,570	33,001
3	322,067	31	1,009	31,277	290,790	614	474	3	(1,421)	320,646	33,049
4	289,340	30	1,009	30,268	259,072	331	783	19	(14,871)	274,469	32,884
5	121,212	31	1,009	31,277	89,935	46	1,955	(89)	174,004	295,216	32,247
6	43,803	30	1,009	30,268	13,534	24	564	19	(10,715)	33,088	31,596
7	42,384	31	1,009	31,277	11,107	-	-	-	-	42,384	31,362
8	30,117	31	1,009	31,277	(1,161)	-	-	-	-	30,117	30,987
9	31,261	30	1,009	30,268	993	8	124	(39)	4,839	36,100	30,993
10	50,697	31	1,009	31,277	19,420	237	82	(50)	4,097	54,794	31,215
11	144,441	30	1,009	30,268	114,173	522	219	(48)	10,499	154,940	32,209
12	218,339	31	1,009	31,277	187,061	781	240	(121)	28,981	247,320	32,940
13	539,262	31	1,009	31,277	507,985	887	573	(173)	99,077	638,339	33,452
14	321,838	28	1,009	28,251	293,588	690	425	(164)	69,780	391,618	33,607
15	377,278	31	1,009	31,277	346,000	758	456	(147)	67,100	444,378	33,687
16	320,115	30	1,009	30,268	289,847	254	1,141	(58)	66,186	386,301	33,544
17	104,418	31	1,009	31,277	73,141	51	1,434	(84)	120,467	224,885	32,909
18	42,831	30	1,009	30,268	12,562	1	12,562	(4)	50,248	93,079	32,239
	3,848,061			550,886	3,297,176	6,615	22,148	(1,439)	951,480	4,799,542	

BASE LOAD:	
Aug	30,117
Sep	31,261
	61,378
X	6 months
Mcf/Year	368,266
/	365 days
Mcf/Day	1,009

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 109

Rate Schedule - 02CS Small Commercial

Line No.	1	2	3	4	5	6	7	8	9		
	Mcf Sales	Days / Month	Base Load Mcf/Day	Non Temp Sensitive ²⁻³	Temp Sensitive Mcf ¹⁻⁴	Actual Degree Days	Mcf / Degree Day ^{5/6}	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec) ⁷⁻⁸⁽⁻⁾	Normalized Mcf Sales ¹⁻⁹	
1	122,449	31	305	9,448	113,000	745	152	(315)	47,779	170,227	4,334
2	103,448	28	305	8,534	94,914	666	143	(188)	26,793	130,240	4,345
3	82,990	31	305	9,448	73,541	614	120	3	(359)	82,630	4,347
4	76,271	30	305	9,144	67,127	331	203	19	(3,853)	72,418	4,258
5	28,426	31	305	9,448	18,978	46	413	(89)	36,717	65,143	4,103
6	11,809	30	305	9,144	2,665	24	111	19	(2,110)	9,699	3,883
7	12,141	31	305	9,448	2,692	-	-	-	-	12,141	3,810
8	9,097	31	305	9,448	(351)	-	-	-	-	9,097	3,792
9	9,444	30	305	9,144	4,196	8	38	(39)	1,465	10,909	3,794
10	13,644	31	305	9,448	22,304	237	18	(50)	885	14,529	3,811
11	31,447	30	305	9,144	43,055	522	43	(48)	2,051	33,498	4,118
12	52,504	31	305	9,448	43,055	781	55	(121)	6,671	59,174	4,318
13	148,564	31	305	9,448	139,116	887	157	(173)	27,133	175,697	4,435
14	85,466	28	305	8,534	76,932	690	111	(164)	18,285	103,752	4,470
15	104,081	31	305	9,448	94,633	758	125	(147)	18,352	122,433	4,485
16	82,780	30	305	9,144	73,637	254	290	(58)	16,815	99,595	4,389
17	23,769	31	305	9,448	14,320	51	281	(84)	23,587	47,355	4,190
18	11,603	30	305	9,144	2,459	1	2,459	(4)	9,836	21,438	4,006
	1,009,931			166,412	843,519	6,615	4,716	(1,439)	230,046	1,239,977	

BASE LOAD:

Aug	9,097	
Sep	9,444	
	18,541	
	X	6 months
Mcf/Year	111,246	365 days
Mcf/Day	305	

Avg # Customer s

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 109

Rate Schedule - 02C Commercial Other

Line No.	1	2	3	4	5	6	7	8	9	
	MCF Sales	Days / Month	Base Load Mcf/Day	Non_Temp Sensitive	Temp Sensitive Mcf	Actual Degree Days	Mcf / Degree Day	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec)	Normalized Mcf Sales
				2,3	1,4		5,6		7,8,(1)	1,8

1	Jan	156,099	31	828	25,671	130,428	745	175	(315)	55,148	211,247	774
2	Feb	128,493	28	828	23,187	105,306	666	158	(188)	29,726	158,219	779
3	Mar	109,814	31	828	25,671	84,143	614	137	3	(411)	109,403	776
4	Apr	101,021	30	828	24,843	76,178	331	230	19	(4,373)	96,648	774
5	May	47,734	31	828	25,671	22,063	46	480	(89)	42,688	90,422	764
6	Jun	31,296	30	828	24,843	6,453	24	269	19	(5,109)	26,187	763
7	Jul	33,552	31	828	25,671	7,881	-	-	-	-	33,552	762
8	Aug	25,060	31	828	25,671	(611)	-	-	-	-	25,060	760
9	Sep	25,316	30	828	24,843	473	8	59	(39)	2,305	27,621	760
10	Oct	39,104	31	828	25,671	13,434	237	57	(50)	2,834	41,938	763
11	Nov	49,781	30	828	24,843	24,938	522	48	(48)	2,293	52,074	768
12	Dec	71,983	31	828	25,671	46,312	781	59	(121)	7,175	79,158	774
13	Jan	169,022	31	828	25,671	143,351	887	162	(173)	27,959	196,981	783
14	Feb	104,785	28	828	23,187	81,599	690	118	(164)	19,394	124,180	782
15	Mar	120,780	31	828	25,671	95,109	758	125	(147)	18,445	139,224	792
16	Apr	110,487	30	828	24,843	85,644	254	337	(58)	19,557	130,044	790
17	May	39,311	31	828	25,671	13,640	51	267	(84)	22,467	61,778	787
18	Jun	24,284	30	828	24,843	(559)	1	(559)	(4)	(2,235)	22,048	778
		1,387,922			452,138	935,784	6,615	2,123	(1,439)	237,862	1,625,784	

Avg # Customers

BASE LOAD:

Aug	25,060
Sep	25,316
	50,376
X	6 months
Mcf/Year	302,254
/	365 days
Mcf/Day	828

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 109

Rate Schedule - 021 Industrial

Line No.	1	2	3	4	5	6	7	8	9	Avg #
	MCF Sales	Days / Month	Base Load Mcf/Day	Non-temp Sensitive ^{2,3}	Temp Sensitive Mcf ^{1,4}	Actual Degree Days	Mcf / Degree Day ^{5/6}	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec) ^{7,8(-)}	Normalized Mcf Sales ¹⁻⁹
1	28,586	31	132	4,090	24,497	745	33	(315)	10,358	38,944
2	23,683	28	132	3,694	19,989	666	30	(188)	5,643	29,326
3	17,760	31	132	4,090	13,670	614	22	3	(67)	17,693
4	16,402	30	132	3,958	12,444	331	38	19	(714)	15,687
5	9,121	31	132	4,090	5,031	46	109	(89)	9,734	18,855
6	5,318	30	132	3,958	1,360	24	57	19	(1,077)	4,241
7	5,904	31	132	4,090	1,814	-	-	-	-	5,904
8	3,826	31	132	4,090	(264)	-	-	-	-	3,826
9	4,200	30	132	3,958	242	8	30	(39)	1,180	5,380
10	8,552	31	132	4,090	4,463	237	19	(50)	941	9,494
11	9,672	30	132	3,958	5,714	522	11	(48)	525	10,197
12	14,186	31	132	4,090	10,096	781	13	(121)	1,564	15,750
13	31,427	31	132	4,090	27,337	887	31	(173)	5,332	36,759
14	18,338	28	132	3,694	14,644	690	21	(164)	3,481	21,818
15	20,956	31	132	4,090	16,866	758	22	(147)	3,271	24,227
16	17,304	30	132	3,958	13,347	254	53	(58)	3,048	20,352
17	8,515	31	132	4,090	4,426	51	87	(84)	7,289	15,805
18	5,872	30	132	3,958	1,914	1	1,914	(4)	7,658	13,530
	249,622			72,032	177,591	6,615	2,490	(1,439)	58,166	307,788

BASE LOAD:

Aug	3,826
Sep	4,200
	8,026
X	
6 months	
Mcf/Year	48,153
	365 days
Mcf/Day	132

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

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Rate Schedule - 04C Interruptible Commercial

Line No.	1	2	3	4	5	6	7	8	9	
	MCF Sales	Days / Month	Base Load MCF/Day	Non-temp Sensitive	Temp Sensitive MCF	Actual Degree Days	Mcf / Degree Day	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec)	Normalized MCF Sales
				^{2,3}	^{1,4}		^{5,6}		^{7(8,-1)}	^{1,9}
1	-	31	-	-	-	745	-	(315)	-	-
2	-	28	-	-	-	666	-	(188)	-	-
3	539	31	-	-	539	614	1	3	(3)	536
4	565	30	-	-	565	331	2	19	(32)	532
5	413	31	-	-	413	46	9	(89)	799	1,212
6	65	30	-	-	65	24	3	19	(52)	14
7	-	31	-	-	-	-	-	-	-	-
8	-	31	-	-	-	-	-	(39)	-	-
9	-	30	-	-	-	8	-	(50)	-	-
10	-	31	-	-	-	237	-	(48)	-	-
11	289	30	-	-	289	522	1	27	-	316
12	471	31	-	-	471	781	1	73	-	544
13	494	31	-	-	494	887	1	96	-	590
14	471	28	-	-	471	690	1	112	-	582
15	472	31	-	-	472	758	1	92	-	564
16	643	30	-	-	643	254	3	(58)	-	789
17	246	31	-	-	246	51	5	(34)	-	652
18	7	30	-	-	7	1	7	(4)	-	36
	4,675				4,675	6,615	32	(1,439)	1,693	6,367

Avg # Customers

BASE LOAD:

Aug	-
Sep	-
	X
Mcf/Year	6 months
	365 days
Mcf/Day	-

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 109

Rate Schedule - 041 Interruptible Industrial

Line No.	1	2	3	4	5	6	7	8	9	
	MCF Sales	Days / Month	Base Load MCF/Day	Non-temp Sensitive	Temp Sensitive MCF	Actual Degree Days	Mcf / Degree Day	Degree Day Departure from Normal	Temperature Normalization Adjustment Increase(Dec)	Normalized MCF Sales
				2-3	1-4		5/8		7/8(1)	1-8

1	Jan	7,704	31	39	1,195	6,509	745	9	(315)	2,752	10,457	5
2	Feb	6,590	28	39	1,080	5,511	666	8	(188)	1,556	8,146	5
3	Mar	5,222	31	39	1,195	4,026	614	7	3	(20)	5,202	5
4	Apr	3,855	30	39	1,157	2,698	331	8	19	(155)	3,700	6
5	May	2,205	31	39	1,195	1,009	46	22	(89)	1,953	4,158	7
6	Jun	1,281	30	39	1,157	124	24	5	19	(98)	1,183	7
7	Jul	1,463	31	39	1,195	267	-	-	-	-	1,463	7
8	Aug	1,213	31	39	1,195	18	-	-	-	-	1,213	7
9	Sep	1,132	30	39	1,157	(24)	8	(3)	(39)	(119)	1,013	8
10	Oct	1,281	31	39	1,195	85	237	0	(50)	18	1,298	6
11	Nov	2,269	30	39	1,157	1,112	522	2	(48)	102	2,371	6
12	Dec	3,248	31	39	1,195	2,053	781	3	(121)	318	3,566	6
13	Jan	7,676	31	39	1,195	6,481	887	7	(173)	1,264	8,940	6
14	Feb	4,112	28	39	1,080	3,033	690	4	(164)	721	4,833	6
15	Mar	5,707	31	39	1,195	4,512	758	6	(147)	875	6,582	6
16	Apr	4,866	30	39	1,157	3,710	254	15	(58)	847	5,713	7
17	May	2,078	31	39	1,195	882	51	17	(84)	1,453	3,531	7
18	Jun	5,343	30	39	1,157	4,186	1	4,186	(4)	16,745	22,088	7
		67,246			21,053	46,192	6,615	4,297	(1,439)	28,212	95,457	

BASE LOAD:

Aug	1,213
Sep	1,132
	2,346
X	6 months
Mcf/Year	14,074
/	365 days
Mcf/Day	39

Avg #
Customer
s

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

110. Please provide actual and weather normalized transportation volumes and number of customers by rate schedule for each month from January 1998 through that most recently available. Include supporting normalization workpapers and documentation.

RESPONSE:

See Attached

WITNESS:

John Brown

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 110

Transportation Firm

Line No.	1	2	3	4	5	6	7	8	9	
	MCF Sales	Days / Month	Base Load MCF/Day	Non_Temp Sensitive ^{2,3}	Temp Sensitive MCF ^{1,4}	Actual Degree Days	Mcf / Degree Day ^{5/6}	Degree Day from Normal	Temperature Normalization Adjustment Increase(Dec) ^{7&8(1)}	Normalized MCF Sales ^{1,9}

1	Jan	31	1,357	42,078	39,980	745	54	(315)	16,904	98,962	55
2	Feb	28	1,357	38,006	41,556	666	62	(188)	11,731	91,293	54
3	Mar	31	1,357	42,078	36,155	614	59	3	(177)	78,056	54
4	Apr	30	1,357	40,721	19,571	331	59	19	(1,123)	59,168	54
5	May	31	1,357	42,078	1,918	46	42	(89)	3,712	47,708	50
6	Jun	30	1,357	40,721	3,789	24	158	19	(2,999)	41,510	48
7	Jul	31	1,357	42,078	(1,494)	-	-	-	-	40,584	48
8	Aug	31	1,357	42,078	(1,776)	-	-	-	-	40,302	47
9	Sep	30	1,357	40,721	1,550	8	194	(39)	7,557	49,828	47
10	Oct	31	1,357	42,078	11,038	237	47	(50)	2,329	55,444	48
11	Nov	30	1,357	40,721	25,739	522	49	(48)	2,367	68,827	49
12	Dec	31	1,357	42,078	36,945	781	47	(121)	5,724	84,747	51
13	Jan	31	1,357	42,078	36,315	887	41	(173)	7,083	85,475	50
14	Feb	28	1,357	38,006	34,983	690	51	(164)	8,315	81,304	50
15	Mar	31	1,357	42,078	41,909	758	55	(147)	8,128	92,115	51
16	Apr	30	1,357	40,721	12,686	254	50	(58)	2,897	56,303	51
17	May	31	1,357	42,078	(1,341)	51	(26)	(84)	(2,208)	38,529	51
18	Jun	30	1,357	40,721	(252)	1	(252)	(4)	(1,008)	39,461	51
			1,080,387	741,116	339,270	6,615	689	(1,439)	69,229	1,149,616	

BASE LOAD:	
Aug	40,302
Sep	42,271
	82,573
	X
	6 months
Mcf/Year	495,435
	365 days
Mcf/Day	1,357

Avg # Customers

Delta Natural Gas Company, Inc.

Temperature Normalization

Jan 1998 - June 1999

Case No. 99-176

AG 110

Transportation Interruptible

Line No.	1	2	3	4	5	6	7	8	9	
	MCF Sales	Days / Month	Base Load MCF/Day	Non Temp Sensitive	Temp Sensitive MCF	Actual Degree Days	Mcf / Degree Day	Degree Day from Normal	Temperature Normalization Adjustment Increase(Dec)	Normalized MCF Sales
				2-3	1-4		5/6		7-8-1	1-9
1	94,194	31	3,307	102,504	(8,310)	745	(11)	(315)	(3,514)	90,680
2	86,537	28	3,307	92,584	(6,047)	666	(9)	(188)	(1,707)	84,830
3	100,995	31	3,307	102,504	(1,510)	614	(2)	3	7	101,002
4	110,103	30	3,307	99,197	10,906	331	33	19	(626)	109,477
5	92,169	31	3,307	102,504	(10,335)	46	(225)	(89)	(19,996)	72,173
6	102,463	30	3,307	99,197	3,266	24	136	19	(2,585)	99,878
7	96,776	31	3,307	102,504	(5,728)	-	-	-	-	96,776
8	102,172	31	3,307	102,504	(332)	-	-	-	-	102,172
9	98,979	30	3,307	99,197	(219)	8	(27)	(39)	(1,066)	97,912
10	133,100	31	3,307	102,504	30,596	237	129	(50)	6,455	139,555
11	129,568	30	3,307	99,197	30,371	522	58	(48)	2,793	132,361
12	11,287	31	3,307	102,504	(91,217)	781	(117)	(121)	(14,132)	(2,845)
13	94,119	31	3,307	102,504	(8,385)	887	(9)	(173)	(1,635)	92,483
14	87,766	28	3,307	92,584	(4,818)	690	(7)	(164)	(1,145)	86,621
15	109,563	31	3,307	102,504	7,059	758	9	(147)	1,369	110,932
16	91,164	30	3,307	99,197	(8,034)	254	(32)	(58)	(1,834)	89,329
17	82,710	31	3,307	102,504	(19,794)	51	(388)	(84)	(32,602)	50,109
18	85,205	30	3,307	99,197	(13,992)	1	(13,992)	(4)	(55,969)	29,236
	1,708,869			1,805,394	(96,525)	6,615	(14,454)	(1,439)	(126,189)	1,582,680

Avg # Customers

19	Aug	102,172	
20	Sep	98,979	
21		201,150	
22	X	6 months	
23	Mcf/Year	1,206,902	
24	/	365 days	
25	Mcf/Day	3,307	

BASE LOAD:

19	Aug	102,172
20	Sep	98,979
21		201,150
22	X	6 months
23	Mcf/Year	1,206,902
24	/	365 days
25	Mcf/Day	3,307

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

111. Please provide copies of any studies conducted by Delta which examine the effect of transportation customer imbalances on system sales customers' gas costs.

RESPONSE:

Delta has not conducted any studies that examine the effect of transportation customer imbalances on system sales customers' gas costs. Delta strives to keep transportation customers' imbalances at minimal levels on Delta's systems.

Sponsoring Witness:

Glenn R. Jennings

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

112. Please provide a schedule separately identifying all interruptions of transportation or retail sales service on the Delta system since 1994 due to capacity constraints on Delta's distribution system. Identify the length of interruption, the volumes interrupted, the rate schedule of the interrupted customers, and the area in which interruptions occurred if the interruption was local rather than general on the Delta system.

RESPONSE:

Since 1994, Delta has not experienced any interruptions of transportation or retail sales service due to capacity constraints on its distribution system.

Sponsoring Witness:

John Brown

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

113. Please explain how often most of Delta's transportation customers generally revise their nomination for deliveries into Delta's system by class. Hourly, daily, monthly?

RESPONSE:

Delta's transportation customers typically nominate on a monthly basis. However, customers can change their nominations with intra-month nominations.

Sponsoring Witness:

Glenn R. Jennings

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

114. Please identify the monthly quantity of standby service reserved by transportation customers during the period January 1996 to present.

RESPONSE:

Although standby service is offered under Delta's transportation tariff, Delta has not had any customers request standby service during the period January 1996 to present.

Sponsoring Witness:

John Brown

115. Please provide all workpapers, calculations, documentation and studies relied upon or utilized to develop each allocation factor reflected in the Company's cost of service study. Include copies of all computer files on Lotus 1-2-3, Quattro or Excel format.

RESPONSE:

See response to item 116 and the Exhibits to the Direct Testimony of William Steven Seelye and Randall J. Walker.

WITNESS: Steve Seelye

116. Please provide a copy of the Company's cost of service study on computer diskette in Lotus 1-2-3, Quattro or Excel forma.

RESPONSE:

Enclosed is the output results of the cost of service model in Excel 97 format.

WITNESS: Steve Seelye

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176**

ATTORNEY GENERAL'S DATA REQUEST DATED 8/11/99

QUESTION:

- 117. Please provide copies of all studies and analyses prepared by the Company which examine usage per customer for new homes and converting customers, and the usage per customer for new homes and converting customers with that of present customers.**

RESPONSE:

117. The Customer Development Department conducted a usage study for 1998 that was included on the 1998 Calendar Year New Customer Report. Randomly selected customers on both new development and conversion extensions were selected to measure actual gas usage in Mcf 's. The test period in question was 83.95% of the 30-year degree-day average for Delta's service area. See attached.

WITNESS:

John Hall

Customer Usage Study for Calender Year 1998

<u>Development</u>	<u>Branch</u>	<u>Home Size</u>	<u>Average Usage</u>	<u>Sample Size</u>	<u>High Usage</u>	<u>Low Usage</u>
Hunting Creek	London	1700-2500 s.f.	72 Mcf	23	131 Mcf	36 Mcf
Autumn Ridge	London	1200-1600 s.f.	55 Mcf	10	91 Mcf	32 Mcf
Crooked Creek	London	2100-8000 s.f.	88 Mcf	29	240 Mcf	34 Mcf
Mill Creek	Corbin	1100-1400 s.f.	44 Mcf	5	60 Mcf	24 Mcf
Southbrook	Nicholasville	1200-1700 s.f.	50 Mcf	28	78 Mcf	30 Mcf
Kenneland	Nicholasville	1600-2800 s.f.	80 Mcf	26	148 Mcf	41 Mcf
Vincewood	Nicholasville	1900-2500 s.f.	57 Mcf	20	108 Mcf	10 Mcf
South Point	Lexington	1800-2600 s.f.	45 Mcf	16	78 Mcf	12 Mcf
Hawthorne	Nicholasville	2000-5000 s.f.	91 Mcf	28	159 Mcf	34 Mcf
Paddock	Nicholasville	2300-8000 s.f.	82 Mcf	30	144 Mcf	11 Mcf
Bell Place	Nicholasville	900-2000 s.f.	50 Mcf	28	84 Mcf	31 Mcf
Burchwood	Berea	1100-1400 s.f.	53 Mcf	6	74 Mcf	42 Mcf
Mt. Vernon Rd.	Berea	900-2400 s.f.	72 Mcf	24	233 Mcf	24 Mcf
Slate Lick	Berea	900-1800 s.f.	67 Mcf	27	145 Mcf	31 Mcf
Suncrest	Berea	1600-2500 s.f.	70 Mcf	26	137 Mcf	31 Mcf
Gabbardtown	Berea	900-1800 s.f.	54 Mcf	24	99 Mcf	31 Mcf
Highway 1016	Berea	1000-2100 s.f.	66 Mcf	32	134 Mcf	25 Mcf
Bush Bottom	Berea	1500-2000 s.f.	63 Mcf	4	85 Mcf	53 Mcf
White Station	Berea	1200-2600 s.f.	62 Mcf	10	131 Mcf	15 Mcf
Rolling Ridge	Berea	2000-3200 s.f.	83 Mcf	23	147 Mcf	29 Mcf
Candlewick	Berea	1500-2800 s.f.	88 Mcf	23	136 Mcf	47 Mcf
Indian Hills	Berea	1500-2400 s.f.	52 Mcf	12	86 Mcf	10 Mcf
Dogwood	Berea	1600-3200 s.f.	73 Mcf	25	179 Mcf	27 Mcf

*Usage Data obtained for Calender Year 1998 which was 83.95% of normal degree days.

*Customer samples where randomly selected, home sizes are estimated.

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

118. List all the different pressures utilized by Delta in the operation of its system and explain the operation of Delta's system with respect to change in gas pressures and the reason for the changes in gas pressures.

RESPONSE:

TRANSMISSION

Beattyville - 110 psig to 120 psig
Berea - 350 psig to 375 psig
Boonesboro - 230 psig to 250 psig
Farmers - 150 psig to 175 psig
Kingston - 150 psig to 175 psig
Nicholasville - 240 psig to 330 psig
Owingsville - 150 psig to 190 psig
Stanton - 180 psig to 220 psig

Williamsburg/Bundy - 140 psig to 230 psig
Bundy to London - 140 psig to 330 psig
Manchester to Bundy - 230 psig to 330 psig
Canada Mtn. To Flat Lick - 340 psig to 380 psig
Pineville to Kettle Island - 150 psig to 220 psig
Williamsburg to Flat Lick - 180 psig to 300 psig
Jellico to Williamsburg - 140 psig to 200 psig
Flat Lick to Manchester - 340 psig to 380 psig
Four Mile to Middlesboro - 150 psig to 220 psig

The Company operates its transmission pipelines at no higher pressure than is necessary to meet the operational requirements of its distribution systems or transportation customers, which flow rates fluctuate from time to time.

DISTRIBUTION

The Company has established three categories of distribution operating pressures:

Beltline - sixty (60) psig through ninety-nine (99) psig

Intermediate – above low through fifty-nine (59) psig

Low – four (4) inches through ten and one-half 10.5 inches water column

Each distribution system is operated at sufficient pressures to meet the fluctuating requirements of its customers.

Sponsoring Witness:

Glenn R. Jennings

119. For 1966, 1997, and 1998, please provide the following information regarding Delta's distribution (gas delivery) system,

- a. The highest peak day and each classes' contribution to that peak day;
- b. The non-coincident peak (NCP) by the class and time of occurrence;
- c. The highest three-day peak and each classes' contribution to that three-day peak;
- d. Delta's design peak day;
- e. The amount of firm and interruptible load by rate class in the CP and NCP data; and
- f. A reconciliation of these factors with the demand allocators utilized in Delta's gas cost of service study.

RESPONSE:

- | | | |
|----|-----------|------------------|
| a. | 1996-1997 | 58,272 Mcf Total |
| | 1997-1998 | 51,223 Mcf Total |
| | 1998-1999 | 62,102 Mcf Total |

Class information is not available.

- b. NCP data is not available.
- c. The information requested is not available.
- d. See Exhibit 3 to the Direct Testimony of William Steven Seelye.
- e. The information requested is not available.
- f. The information set forth in (a), above, represent actual historical data, while the demand allocators represent design day demands. See Exhibit 3 to the Direct Testimony of William Steven Seelye.

RESPONSE: Steve Seelye

120. Please provide workpapers for all numbers on Mr. Walker's testimony, for which there are workpapers, i.e. load factor representations, on residential rate increases to achieve overall rate of return being 1.66 times total increase, etc.

RESPONSE:

Load Factor:

- (1) Testimony, page 11, lines 1-3. Determined by dividing the Mcf shown in column 7 of Walker Exhibit 6, page 1 by 365 days and dividing that product by peak day requirements shown in column 5 of Seelye Exhibit 3.
- (2) Testimony, page 14, lines 8-10. Determined by dividing the actual Mcf shown in column 2 of the referenced Exhibit 8, page 12 by the peak day loads shown in the last column of that page.

Residential rate increase to achieve overall return being 1.66 times total increase:

Walker Exhibit 6, page 1, column 7 shows adjusted residential billings at the base rates of \$10,109,997, Seelye Exhibit 5, page 1, line 13 shows a residential revenue requirement of \$14,268,300 in order for the residential return to equal that of the proposed overall 9.31% return level. This represents a difference of \$4,158,303, or 1.66 times greater than the total requested increase of \$2,510,901.

There were no workpapers.

WITNESS: Randall Walker

121. Reference Mr. Walker's testimony at page 14, lines 4-10. Does Mr. Walker admit that the larger customers usage of the Delta's system was 1.8 times (40% / 22%) the usage of the smaller customers. Of no, please explain why.

RESPONSE:

If the term "usage" is meant to imply that customers with higher load factors impose more costs to the system relative to their revenue contribution, the answer is clearly no.

Load factor is a measure of system throughput efficiency calculated by dividing the average load by the maximum load. The comment on page 14 of the testimony merely points out the relative difference between the load factors of the smaller and the larger customers within the Large Commercial/Industrial - General Service Class. With both groups being served under the same rate, the difference between the load factor of the two groups is a major contributing factor to variance between the rates of return.

As an example, if we take two classes of customers that each use 365,000 Mcf per year and Class A imposes a maximum demand on the system of 2,000 Mcf per day and Class B imposes a maximum demand of 4,000 Mcf per day on the system. Class A would have a 50% load factor and Class B would have a 25% load factor. From a cost standpoint: (1) Class B would create twice the demand-related costs on the system as Class A (4,000 Mcf versus 5,000 Mcf); (2) Class A's load factor would be 2.0 times Class B's load factor (50% / 25%); and (3) both classes would impose exactly the same commodity-related costs. Since the commodity-related costs are insignificant when compared to the demand-related costs of the distribution system, Class A is clearly the least costly to serve. Even if both classes had the same maximum demand and Class A used twice the volume as Class B, both would impose the same demand-costs on the system and Class A would impose an insignificant amount of additional commodity-related cost on the as compared to Class B.

WITNESS: Randall Walker

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

AUG 11 1999

PUBLIC SERVICE
COMMISSION

In the Matter of:

Adjustment of Rates of)
Delta Natural Gas Company, Inc.) Case No. 99-046¹⁷⁶

**INITIAL REQUEST FOR INFORMATION
BY THE ATTORNEY GENERAL**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office for Rate Intervention, and submits these Requests for Information to Delta Natural Gas Company, Inc., to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the company witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (4) If any request appears confusing, please request clarification directly from the Office of Attorney General.
- (5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.
- (6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully Submitted,



ELIZABETH E. BLACKFORD
ASSISTANT ATTORNEY GENERAL
1024 CAPITAL CENTER DRIVE
FRANKFORT KY 40601
(502) 696-5453
FAX: (502) 573-4814

CERTIFICATE OF SERVICE AND OF FILING

I hereby certify that this the 11th day of August, 1999, I have filed the original and ten true copies of the foregoing with Hon. Helen C. Helton, Executive Director of the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky, 40601 and that I have served the parties by mailing the same, postage prepaid to:

ROBERT M WATT III ESQ
STOLL KEENON & PARK LLP
201 EAST MAIN STREET
LEXINGTON KY 40507-1380

JOHN F HALL
DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER KY 40391

W. Blackford

**DELTA NATURAL GAS COMPANY
CASE NO. 99-176
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION**

1. Please provide all workpapers prepared by the Company in support of the two FR# 7-a filing requirement schedules and in support of all of the schedules (Schedules 1 through 9) submitted by Delta in response to FR# 6-h.
2. With regard to the claimed overall rate of return of 9.3127% on Schedule 7 and the Adjusted Capitalization data on Schedule 9, please provide the following information:
 - a. In the Company's prior rate case, Case No. 97-066, the PSC authorized an overall rate of return of 9.077 % and determined this overall rate of return by making the following calculations, as described on page 21 of its Order in that case:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	36.25%	11.60%	4.205%
LT Debt	53.41%	7.858%	4.197%
ST Debt	<u>10.34%</u>	6.535%	<u>0.675%</u>
Total	<u>100.00%</u>		<u>9.077%</u>

Please confirm the above. If you do not agree, explain your disagreement.

- b. In the Company's prior rate case, Case No. 97-066, the PSC applied this overall rate of return of 9.077% to the rate base found to be appropriate in that case in order to determine the appropriate revenue requirement (see page 18 of the Order in that case). Please confirm the above. If you do not agree, explain your disagreement.
- c. Under the Company's proposed hypothetical capital structure and proposed capital cost rates, the proposed overall rate of return rate established in the same way as the PSC did in the prior case as per part a. above would be as follows:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	43.50%	11.90%	5.176%
LT Debt	48.43%	7.4786%	3.622%
ST Debt	<u>8.07%</u>	5.410%	<u>0.436%</u>
Total	<u>100.00%</u>		<u>9.234%</u>

Please confirm the above. If you do not agree, explain your disagreement

- d. Under the Company's actual adjusted capital structure and proposed capital cost rates, the proposed overall rate of return rate established in the same way as the PSC did in the

prior case as per part a. above would be as follows:

	<u>Cap. Str. Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Equity	29.80%	13.90%	4.142%
LT Debt	60.17%	7.4786%	4.499%
ST Debt	<u>10.02%</u>	5.410%	<u>0.542%</u>
Total	<u>100.00%</u>		<u>9.183%</u>

Please confirm the above. If you do not agree, explain your disagreement.

3. Please provide all studies performed by the Company or relied on by the Company to come to the conclusion that its optimum capital structure should include an equity ratio of 43.5%. If achieving an "optimum" capital structure was not the objective, provide the basis for and all calculations performed to arrive at the equity ratio of 45%.
4. The rate base vs. capital structure reconciliation shows a difference of \$640,324 which, presumably is shown and explained on FR 7(a). Please provide a schedule showing exactly how the \$640,324 difference can be derived from the data on FR 7(a).
5. With regard to account 123 (Investments in Subsidiary Companies), page 110 of the 1998 FERC Form 2 shows a 12/31/98 balance of \$1,131,650, the 1998 Trial balance account 123 components add to \$1,132,650 for the 12/31/98 balance, and FR 7(a) shows a 12/31/98 per books balance of \$1,466,060. In this regard, provide the following information:
 - a. Please provide detailed reconciliations for these three different per books balances as of 12/31/98.
 - b. On FR 7(a), provide a detailed breakout what Subsidiary Company investments make up the \$1,280,279 and what makes up the remaining "Proposed Adjustment" of \$185,781.
6. Please provide a schedule showing a breakout by plant component (e.g., plant in service, CWIP, cushion gas, etc.) of the actual Canada Mountain investments of \$14,323,170 included in the actual 12/31/98 plant balance and the actual Canada Mountain related accumulated depreciation of \$742,254.
7. The 12/31/98 per books Utility Plant balance on FR 7(a) is shown to be \$125,206,004 which the 1998 Trial Balance shows to consist of the following components:

Plant in Service	\$119,758,525
CWIP	\$ 1,382,759
Cushion Gas	\$ 4,046,127
Non-Utility	\$ <u>18,592</u>

Total \$125,206,004

In this regard, please provide the following information:

- a. Confirm the correctness of the above table. If not correct, provide the corrected data.
 - b. For each of the above Utility Plant components, provide the Canada Mountain components to be removed, which should add to a total removal amount of \$14,323,170.
 - c. What represents the "Proposed Adjustment" amount of \$1,587,945, used by the Company to arrive at the proposed adjusted Utility Plant balance of \$112,470,779?
 - d. Provide a schedule showing a detailed reconciliation between the adjusted 12/31/98 Utility Plant balance of \$112,470,779 and the corresponding balance of \$114,965,626 on Schedule 7, line 1.
 - e. Explain the difference of \$2,602 between the 12/31/98 plant balance of \$109,369,706 on Item 24, page 2 of 2 and the corresponding balance of \$109,367,104 on Item 12, page 1 of 5.
8. In the same format and detail as per "Item 12, pages 1 and 2 of 5, provide the monthly, total, and annual monthly average balances for A/C 107 CWIP and A/C 107 CWIP related Accounts Payables from December 1996 through December 1997.
9. With regard to the monthly A/C 107 CWIP balances shown on page 1 of 5 of the response to PSC data request # 12, please provide the following information:
- a. Do the monthly balances shown for Dec 1997 through Dec 1998 represent CWIP balances exclusive of Canada Mountain? If not, what adjustments were made to the Company's per books CWIP balances to arrive at the adjusted CWIP balances on page 1 of 5? What adjusted CWIP balance is included in rate base as part of the Property balance of \$114,965,626?
 - b. All monthly adjusted CWIP balances from December 1995 through December 1997 stated on an equivalent basis as the monthly CWIP balances for Dec 1997 through Dec 1998 on page 1 of 5.
 - c. All actual monthly adjusted CWIP balances from December 1998 through July 1999 and as projected for the remaining months of 1999 stated on an equivalent basis as the monthly CWIP balances for Dec 1997 through Dec 1998 on page 1 of 5.
10. The FERC Form 2, page 110 accumulated depreciation balance (including non-utility) amounts to \$33,478,352 which is also shown as the per books 12/31/98 balance on FR 7(a). In this

regard, please provide the following information:

- a. Reconcile the "Proposed" balance of \$32,756,310 on FR 7(a) to the corresponding 12/31/98 adjusted balance of \$32,717,506 on Item 12, page 1 of 5.
 - b. Reconcile both the balances stated in part b. above to the reserve balance of \$35,230,946 on line 2 of Schedule 7.
11. With regard to WP51, page 3, please provide the following information:
- a. Show the derivation of the Canada Mountain depreciation expenses of \$463,710 from the data on WP51, pages 1, 2, and 3.
 - b. Explain and provide workpapers and actual source documentation for the Tranex depreciation addition of \$126,144.
12. In the same format and detail as per "Item 12, pages 1 and 2 of 5, provide the monthly, total, and annual monthly average balances for the Total Materials and Supplies Account and the Total Materials and Supplies Account related Accounts Payables from December 1996 through December 1997.
13. What percentage of the Company's average annual M&S balance typically gets capitalized rather than expensed during any particular year?
14. With regard to Prepayments, provide the following information:
- a. For each of the 13-months starting Dec 1997 through Dec 1998, provide the monthly and annual monthly average prepayment balances, broken out by specific prepayment item.
 - b. Provide a breakout of all of the insurance items included in the average annual prepaid insurance balance.
15. Identify any M&S balances and/or prepayment balances that are related to unregulated subs or the Canada Mountain project.
16. What represents the difference between the 12/31/98 FERC Form 2 account 164 Gas Stored Underground balance of \$3,364,903 (also see FR 7(a), and the proposed adjusted balance in rate base of \$265,579?
17. Please provide the monthly balances for Advances for Construction for the period Dec 1997 through Dec 1998 and for each of the months of 1999 for which actual data is available at this time.

18. Page 3 of 5 of Item 12 shows that as part of the total 12/31/98 ADIT balance, A/C 28302 Regulatory ITC has the effect of increasing rate base by \$392,500 (by virtue of the fact that it has reduced the total ADIT rate base deduction by \$392,500). In this regard, provide the following information:

- a. Confirm the above statement. If you do not agree, explain your disagreement in detail.
- b. Account 254 Other Regulatory Liabilities (see page 278 of the 1998 FERC Form 2) includes the same Regulatory ITC balance of \$392,500, representing the exact counter-account to the Regulatory ITC balance of \$392,500 included in the total ADIT balance. Please confirm this. If you do not agree, explain your disagreement.
- c. The Account 254 Other Regulatory Liabilities balance of \$392,500 (see page 278 of the 1998 FERC Form 2) has not been treated as a rate base deduction in this case by Delta. Please confirm this. If you do not agree, explain your disagreement.

19. In the prior case, Case No. 97-066, the PSC, on rehearing, allowed a total ADIT balance of \$7,389,051, as shown on page 2 of the PSC's Rehearing Order in that case. This net ADIT balance consisted of the following components:

- A/C 28201 Accel. Depreciation	(\$8,414,800)
- A/C 28205 Alt. Minimum Tax	\$1,305,600
- A/C 28207 Adv. For Construction	\$ 41,400
- A/C 282010 Unamort. Debt Exp.	(\$ 321,751)
- A/C 282012 Storage Gas	<u>\$ 500</u>
- TOTAL	<u>\$7,389,051</u>

In this regard, please provide the following information:

- a. Please confirm the above information. If you do not agree, explain your disagreement.
- b. If the exact same ADIT components as allowed by the PSC on rehearing in the prior case were to be used in the current case, page 3 of 5 of Item 12 in this case would show the following total net ADIT balance as of 12/31/98:

- A/C 28201 Accel. Depreciation	(\$10,034,325)
- A/C 28205 Alt. Minimum Tax	\$ 1,274,100
- A/C 28207 Adv. For Construction	\$ 43,700
- A/C 282010 Unamort. Debt Exp.	(\$ 388,205) = 85.17% x (\$455,800)
- A/C 282012 Storage Gas	<u>\$ 1,100</u>
- TOTAL	<u>\$ 9,103,630</u>

Please confirm the above information. If you do not agree, explain your disagreement.

20. Page 4 of 5 of Item 12n shows on a monthly basis for the year 1998 the customer deposit receipts, refunds and net cumulative balance. In this regard, please provide the following information:
- a. Describe the customer deposit receipt and refund policy used by the Company.
 - b. Provide the actual monthly customer deposit balances for 1995, 1996, 1997 and 1999 through July or the most recent month for which actual data are available.
 - c. Confirm that Item 12n, page 4 of 6 shows that the average test year customer deposit balance is \$493,566 as opposed to the 12/31/98 balance of \$594,863.
 - d. Confirm that the Company has proposed to include interest on customer deposits as a pro forma above-the-line expense of \$35,692, which was calculated by applying the 6% interest rate to the 12/31/98 customer deposit balance of \$594,863 (see Schedule 4).
 - e. Why has the Company treated the interest on customer deposits as a pro forma above-the-line expense without treating the associated customer deposit balance as a rate base deduction?
 - f. Would the Company agree that it is generally accepted ratemaking practice to either (1) include customer deposits in the capital structure at a cost rate of 6% or (2) deduct the customer deposit balance from rate base and treat the interest expense as a pro forma above-the-line expense? If you do not agree, explain your disagreement in detail.
 - g. Isn't it true that in the prior case, the Company, consistent with the generally accepted ratemaking principle described in part f. above, included customer deposits in the capital structure at a cost rate of 6%?
21. With regard to Customer Advances for Construction which the Company has treated as a rate base deduction in this case, please provide the following information:
- a. Describe the Customer Advances for Construction receipt and refund policy used by the Company.
 - b. Provide the actual monthly Customer Advances for Construction customer balances for 1998 and 1999 through July or the most recent month for which actual data are available in the same format as shown for Customer Deposits on Item 12n, page 4 of 6, i.e., showing actual monthly receipts, refunds, and the net cumulative balances.
22. With regard to the monthly balance of \$126,000 for Medical Self Insured and of \$25,000 for Other Self Insured, please provide the following information:

- a. Provide the monthly balances for both of these accounts for 1995, 1996, 1997 and 1999 through the most recent actual month available.
 - b. Explain the reasons and purposes of these two reserve accounts.
 - c. Have these accrued balances been funded with above-the-line expense accruals?
 - d. What were the dollar amounts of the expense accruals to fund these self insurance reserves that were included as above-the-line expenses in the Company's prior rate case?
 - e. What are the dollar amounts of the expense accruals to fund these self insurance reserves that are included as above-the-line expenses in the Company's current rate case? In addition, describe in which expense account these accruals are recorded.
23. Please provide all amortization expenses included in the 1998 test year "above-the-line" operating results. In addition, for each amortization expense, provide the following information:
- a. Approved or not approved for rate making purposes through prior PSC rulings.
 - b. Amortization period and whether this period was approved by the PSC.
 - c. Annual amortization amount.
 - d. Original amortization starting date and amortization expiration date.
24. Identify any information, as soon as it known, which would have a material effect on net operating income, rate base and cost of capital, which occurred after the preparation of Delta's filing and was not incorporated in the filed testimony, exhibits and filing requirements.
25. Please provide a listing (including associated dollar amounts) of all expenses and taxes other than income tax items that were booked in the 1998 test year but relate to prior periods. In addition, provide a brief description of each of such identified items.
26. Please provide a listing (including associated dollar amounts) of all expenses and taxes other than income tax items booked in the 1998 test year that represent abnormal bookings that are not typically booked on an annual recurring basis. In addition, provide a brief description of each of such identified items.
27. Please provide all non-recurring start-up expenses booked during 1998 associated with the implementation of major new programs. In addition, provide a brief description of each of such identified items.

28. Please provide a schedule showing all expenses, by expense type and in total, that were booked during the test year that directly or indirectly related to the implementation of the Y2K compliance and compliance testing. In addition, provide a description what activities and programs the Company has performed regarding Y2K compliance, when these activities started, when they are anticipated to end, and what specific portion of these activities were performed in 1998.
29. The Company's proposed income taxes (prior to the rate increase request) of \$1,596,449 were based on an interest expense deduction amount of \$3,114,019, as shown on FR 7(a). Please provide a schedule showing how this amount of \$3,114,019 was derived and what the basis for it is.
30. Page 114 of the 1998 FERC Form 2, shows that the Company, as an "Option 2" company, can reduce its annual income taxes by \$70,950 for the amortization of the Investment Tax Credit. The PSC adopted this tax expense credit of approximately \$71,000 in the prior case. Please explain why the Company in the current case has again failed to reflect this income tax credit of \$70,950.
31. In response to data request AG 2-8 in the prior rate case, the Company confirmed that the annual amortization of its excess deferred taxes due to the FIT income tax rate change from 46% to 35% is \$20,400 based on a 45-year amortization of the original excess deferred tax amount of \$915,200. The AG in that case recommended amortizing this excess deferred tax amount over 35 years for an annual excess deferred tax credit of \$26,150. This was adopted by the PSC in determining the Company's revenue requirement in the prior case. In this regard, provide the following information:
 - a. Confirm the above statements. If you do not agree, explain your disagreement in detail.
 - b. Confirm your agreement that, based on the PSC's adopted ratemaking treatment for this excess deferred tax amortization in the Company's prior case, it would be appropriate to reflect a similar tax credit of \$26,150 for this excess deferred tax amortization in the current case. If you do not agree, explain your disagreement in detail.
32. Please reconcile the 1998 total direct payroll costs of \$6,251,888 with the total salaries and wages for 1998 of \$6,125,333 on page 355 of the 1998 FERC Form 2.
33. With regard to the pro forma payroll tax increase of \$8,937 on Schedule 6, please provide the following information:
 - a. Isn't it true that a portion of this tax increase is not charged to O&M expense but, rather, is allocated to construction, merchandising and subsidiaries through A/C 1.922 "Expenses Transferred"? If you do not agree, explain your disagreement in detail.

- b. What is the appropriate approximate percentage of the payroll taxes that is charged to construction, merchandising and subsidiaries? Would this be equal to the labor percentage for 1998 of 26% as can be calculated from page 355 of the 1998 FERC Form 2 $[(\$1,576,796 + \$16,818) / \$6,125,333]$? If not, explain why not.
34. The response to Staff Item 34 shows the number of employees on the Company's payroll at the end of the year for 1993 through 1998. In this regard, provide the following information:
- a. For 1997 and 1998 and the 7-month period ended July 31, 1999, provide the actual monthly total number of employees and the resultant average number of employees during 1997, 1998 and the 7-month period ended July 31, 1999
- b. The budgeted total number of employees for the remainder of 1999.
35. Please provide page 355 (distribution of salaries and wages) from the 1997 FERC Form 2.
36. Considering page 355 from the 1998 FERC Form 2, explain what the total salaries and wages charged to O&M are. Are they the amount of \$5,346,719 (before allocation of clearing accounts) or are they the amount of \$4,531,719 (after the allocation of clearing accounts)?
37. Footnote (1) of page 1 of 2 of PSC request Item 40 indicates that the total compensation for Mr. Jennings that are included in the 1998 test year above-the-line expenses include the same \$24,000 of loan forgiveness expenses that were disallowed for ratemaking purposes by the PSC in the prior rate case, Case No. 97-066. Please confirm this. If this is not correct, explain the correct meaning of footnote (1).
38. For each person listed on page 1 of 2 of PSC request Item 40, provide a breakout and description of the specific components making up the 1998 "Other Compensation" amounts shown in the second column.
39. Please provide a detailed breakout showing all of the components and associated dollar amounts for the (\$4,159,439) amount in A/C 1.922 Expenses Transferred.
40. Provide a management summary description and copy of all incentive compensation programs, bonus programs, and other similar programs currently in effect for Delta's top management and other employees.

In addition, provide a schedule showing the amounts of such incentive compensation expenses booked by the Company during the 1998 test year, 1997 and 1996. Also, indicate in which account (number and description) these incentive compensation expenses are recorded.

41. Please provide the most recent executive compensation studies performed by or for Delta

which would show that the total compensation paid by Delta to its executive officers is reasonable and comparable to the compensation levels paid to executives in comparable sized companies in comparable industries. Also specify the time period of the study period.

42. Please expand the response to AG request Item 65a in the prior rate case, by providing total payroll, incentive compensation, and other bonus compensation for the years 1996, 1997 and 1998.
43. With regard to the actual 1998 total payroll amount of \$5,893,686 and the annualized payroll amount of \$6,009,885 shown on WP4-1, please provide the following information:
 - a. Confirm that both amounts are *total* payroll amounts and not payroll amounts charged to O&M expense (i.e., both amounts still include payroll to be charged to construction, merchandising, and subsidiaries). If you do not agree, explain your disagreement in detail.
 - b. Provide workpapers showing all assumptions and calculations used to determine the annualized payroll amount number of \$6,009,885. In addition, indicate the number of employees underlying the annualized payroll amount number of \$6,009,885, as well as the basis for any assumed wage and salary increases built into the annualization adjustment calculations.
 - c. What represents the difference between the 1998 actual total payroll amount of \$5,893,686 and the total 1998 actual payroll amount of \$6,125,333 on page 355 of the 1998 FERC Form 2?
 - d. Given the facts stated in part a. above, isn't it true that the proposed pro forma payroll adjustment should be reduced to only reflect the portion of this payroll increase that will be charged to O&M expense? If you do not agree, explain your disagreement.
44. Please reconcile the total Salaries and Wages amounts for the years 1993 through 1998 to the total salaries and wages amounts for the corresponding years shown on page 355 of the Company's FERC Form 2.
45. With regard to line 2 of Schedule 4, provide a detailed breakout (expense account, account description and account dollar amount) of the \$142,711 "Accounts Disallowed in Case No. 97-066.
46. With regard to line 3 of Schedule 4, provide a detailed description (by Trial Balance account number and associated dollar amount) of all of the expense components included in the \$21,120 Canada Mountain expense removal adjustment.
47. Please verify that all insurance expenses included in the adjusted 1998 test year results are exclusive of Canada Mountain related insurance. If not, identify the Canada Mountain related

insurance amount that should be removed.

48. By the same expense categories as requested in PSC data request Item 48, provide the actual (out-of-pocket) rate case expenses incurred by Delta for the prior case, Case No. 97-066.
49. Please provide a breakdown of the expense components making up the Acct. 928 - regulatory commission expenses of \$104,940 for the 1998 test year.
50. Please provide a listing, associated dollar amounts and a description of all expenses incurred and/or proceeds received during 1998 relating to law suits, the settlement of law suits or other legal action and indicate in which account(s) these expenses and/or proceeds were recorded. In addition, indicate to what extent these expenses and/or proceeds have been incorporated into the above-the-line operating results for the test year.
51. Please provide the actual nine 1.926 Employee Pension and Benefits Trail Balance accounts for 1997.
52. Please provide a description and the associated dollar amounts of all expenses booked in 1998 (show account numbers) relating to:
 - employee gifts and award banquets
 - social events and parties
 - sports leagues
 - fines and penalties
53. With regard to A/C 1.926.03 Employee 401(k) Plan expenses, please provide a workpaper showing exactly what the basis is for these expenses and how they were calculated. In addition, explain the large increase that the 1998 test year expense of \$180,370 represents over the expense levels incurred in 1995, 1996 and 1997.
54. With regard to the \$77,561 adjustment shown on line 7 of Schedule 4, please provide the following information:
 - a. Workpaper showing the derivation and all actual source documentation underlying the proposed adjustment.
 - b. For each of the last 10 years, 1989 through 1998, provide any recoveries of funds from Delta's stop-loss insurance coverage applicable to prior periods.
55. With regard to the response to PSC data request Item 30 (Uncollectibles), please provide the following information:
 - a. For each year listed, provide the Total Revenues underlying the percentages on line 6 and

indicate whether these Total Revenues include GCR revenues.

- b. Are uncollectibles related to GCR revenues collected via the GCR mechanism or through base rates?
 - c. Page 325 of the Company's 1998 FERC Form 2 shows that for 1998 and 1997 the uncollectibles were \$345,870 and \$310,000, respectively. Do these amounts represent accruals (provisions) or actual net write-offs? In addition, reconcile these two amounts to the uncollectible data for 1998 and 1997 on Item 30.
 - d. Explain the reasons why the provision percentage of .73% for the 1998 test year is so much higher than the provision percentages for the prior 5 years.
56. Please provide a complete breakdown, including a brief description and the associated dollar amount, for all of the expense item included in each of the following accounts:
- 1.921.06 Miscellaneous other items
 - 1.921.07 Employee memberships
 - 1.926.08 Employee recreational & social
57. With regard to the 1998 Travel Etc expenses booked in A/C 1.921.21 through 1.921.26, please provide the following information:
- a. Provide all spousal travel expenses included in the total expenses for these accounts.
 - b. Provide all details and brief descriptions for the expenses booked in each of these 1.921 accounts. Details should include reason for travel, travel destination and expenses broken out by each trip.
58. Please provide all underlying details for the 1998 expense amount of \$30,758 for meals and entertainment. Details should include reasons for meals and entertainment, locations, and expenses broken out for each occasion.
59. With regard to each of the outside service accounts shown for 1998 in response to PSC data request 26, please provide the actual annual expenses booked during 1996 and 1997.
60. With regard to the test year legal expenses of \$73,126 in A/C 1.92301 shown in response to PSC data request #26, please provide the following information:
- a. Please provide the portion of the total legal expenses of \$73,126 that is attributable (directly or indirectly) to outside legal assistance related to the legislative session. Indicate these expenses by outside legal service provider.

- b. Please provide the portion of the total legal expenses of \$73,126 that is attributable (directly or indirectly) to outside legal assistance related to the Canada Mountain project that was not already removed by Delta in its pro forma expense adjustment to remove all Canada Mountain expenses from the filing.
61. With regard to the Outside Services Other expenses of \$97,053 in A/C 1.92304 shown in the response to PSC data request # 26, please provide the following information:
- a. What is the portion of the total expense amount of \$97,053 that is attributable (directly or indirectly) to lobbying activities and activities relating to the legislative process?
 - b. What is the portion of the total expense amount of \$97,053 that is attributable (directly or indirectly) to Canada Mountain and the Delta subs?
62. Please provide the actual Director's Fees and Expenses for each of the last 5 years, 1994 through 1998.
63. What represent the "Incentive Program" expenses listed under account 193004 in the response to PSC data request Item 25b?
64. Please provide the 1999 P&L Budget in the same format and detail as per the response to AG Item 8 in the Company's prior rate case.
65. Walker Exhibit 6, Page 1 shows that the actual 1998 test year revenues include \$16,260,037 for GCR related revenues. This is consistent with the actual 1998 total purchased gas cost of \$16,260,037 shown on page 319 of the 1998 FERC Form 2. Please reconcile these 1998 GCR revenues and purchased gas expenses of \$16,260,037 to the actual 1998 purchased gas expenses of \$14,147,177 shown on FR 7(a).
66. With regard to Other Miscellaneous Service revenues please provide the following information:
- a. a breakout of the 1998 revenues of \$152,009 by specific revenue component on a monthly and total annual basis.
 - b. a breakout of the actual 1999 revenues through July 31, 1999 by specific revenue component on a monthly and total basis.
67. With regard to Exhibit MJB-3, please confirm the following information:
- a. The average number of residential customers have grown from 1991 through 1998 at an average annual compound growth rate of 2.84%. If you do not agree, please indicate your disagreement and provide the correct average annual compound growth rate for this period.

- b. The average number of commercial customers have grown from 1991 through 1998 at an average annual compound growth rate of 2.38%. If you do not agree, please indicate your disagreement and provide the correct average annual compound growth rate for this period.
68. With regard to Off System Transportation sales, please provide the following information:
- a. What is the current rate per MCF sales? If there is not one single rate, provide the average rate per MCF.
 - b. Provide the actual MCF volumes of sales for 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
69. With regard to the GS Transportation sales and revenues (shown to be \$1,469,977 for 1998 on Walker Exhibit 6, p.1), please provide the following information:
- a. 12-month average annual GS commercial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly GS commercial transportation customers for the 1998 test year and for 1999 through July.
 - b. 12-month average annual GS industrial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly GS industrial transportation customers for the 1998 test year and for 1999 through July.
 - c. Actual annual MCF sales volumes for GS commercial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - d. Actual annual MCF sales volumes for GS industrial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - e. The current rate per MCF sales for GS commercial transportation and for GS industrial transportation. If there is more than one rate, provide the appropriate current average rate per MCF.
70. With regard to the Interruptible Transportation sales and revenues (shown to be \$1,931,707 for 1998 on Walker Exhibit 6, p.1), please provide the following information:
- a. 12-month average annual Interruptible commercial transportation customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Interruptible commercial transportation customers for the 1998 test year and for 1999 through July.
 - b. 12-month average annual Interruptible industrial transportation customers for each of the

years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Interruptible industrial transportation customers for the 1998 test year and for 1999 through July.

- c. Actual annual MCF sales volumes for Interruptible commercial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - d. Actual annual MCF sales volumes for Interruptible industrial transportation for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - e. The current rate per MCF sales for Interruptible commercial transportation and for Interruptible industrial transportation. If there is more than one rate, provide the appropriate current average rate per MCF.
71. With regard to the Special Contracts sales and revenues (shown to be \$511,666 for actual per books 1998 on Walker Exhibit 6, p.1), please provide the following information:
- a. 12-month average Special Contracts customers for each of the years 1994, 1995, 1996, 1997 and 1998. In addition, provide the actual monthly Special Contracts customers for the 1998 test year and for 1999 through July.
 - b. Actual annual MCF sales volumes for Special Contracts for each of the years 1994, 1995, 1996, 1997, 1998 and the 12-month period ended June 30, 1999.
 - c. The current average rate per Special Contract MCF sales.
 - d. Special Contracts sales revenues for 1994, 1995, 1996, 1997 and 1998.
72. Please provide all source documentation and workpapers used by the Company to derive the normal heating degree days of 4,693.
73. With regard to Mr. Walker's schedule entitled "Year End Adjustment" and Walker Exhibit 7, page 1, please provide the following information:
- a. Walker Exhibit 7, page 1 shows that the test year 1998 per books Residential-Firm Sales customer charge revenues of \$3,082,688 are derived as follows: average monthly # of customers of 32,111 x 12 months = 385,336 customer bills x \$8.00 per customer bill = \$3,082,688.

Making a similar calculation for the test year end # of Residential-Firm Sales customer charge revenues results in the following annualized revenues: 32,940 x 12 months = 395,280 customer bills x \$8.00 per customer bill = \$3,162,240.

The difference between the annualized Residential-Firm Sales customer charge revenues of \$3,162,240 and the annual per books revenues of \$3,082,688 is \$79,552. This is 12 times higher than the Company's calculated revenue adjustment of \$6,632. Please confirm that the Company's proposed year-end Residential-Firm Sales customer charge revenue annualization amount of \$6,632 is understated and should be \$79,552 because the Company failed to multiply this amount by 12 to reflect the full annual impact. If you do not agree, explain your disagreement in detail.

- b. Please confirm that the additional revenue adjustments for customer charges shown under column (5) of Mr. Walker's "Year End Adjustment" schedule for the other customer classes (i.e., the amounts of \$4,186, \$75 and \$(25) are similarly understated and should be 12 times higher for the same reasons as described for the Residential-Firm Sales customer charge revenue adjustment in part a. above. If you do not agree, explain your disagreement in detail.
 - c. Please reconcile the Industrial-Firm Sales average 1988 customers of 62 to the average 1998 Industrial Sales customers of 69 shown on Exhibit MJB-3.
74. With regard to the Industrial-Firm Sales customers shown to be 62 on average for 1998 and 61 at 12/31/98, please provide the following information:
- a. Actual average number of customers in 1995, 1996, and 1997
 - b. Actual number of customers for each month in the 1998 test year and for each month in 1999 through July 31, 1999.
75. With regard to the Expense Adjustment data shown on Mr. Walker's exhibit entitled "Year End Adjustment", please provide the following information:
- a. Reconcile the 1998 per books wages and salaries of \$5,381,576 to the total 1998 wages and salaries of \$6,125,333 shown on page 355 of the 1998 FERC Form 2. List all components representing the difference between these two numbers.
 - b. Explain the reasons why Delta removed its wage and salary expenses from the Operating Ratio calculations.
76. With regard to the actual 1998 O&M expenses shown on pages 317 through 325 of the 1998 FERC Form 2, please provide the following information:
- a. The *non-labor related* maintenance expenses for Production and Gathering (page 317, line 29).
 - b. The *non-labor related* maintenance expenses for Underground Storage (page 321, line

- 124).
- c. The *non-labor related* maintenance expenses for Distribution (page 324, line 228).
 - d. All *non-labor related* expenses for Customer Accounts expenses (page 325, line 237).
 - e. The *non-labor related* O&M expenses for Production and Gathering (page 317, line 30).
77. Please provide detailed workpapers and calculations showing the derivation of the Average Monthly Base Load (AMBL) for residential and small commercial customers which would have applied during the winter of 1998-99 had the WNA been in place.
78. Please state whether the AMBL will be based on consumption for the months of August and September or bills for the months of August and September.
79. Please explain how the Company intends to determine Normal Degree-Days. Identify the time period to be utilized and the location for the measurement.
80. Please provide the source document showing the number of Normal Degree-Days by date which the Company intends to utilize.
81. Please state whether it is correct that the same WNAF would apply to all customers within the relevant customer class regardless of their individual usage or other characteristics. If not, please explain.
82. Please state whether the Company has prepared a backcast or similar analysis showing the effect which the WNA would have had on monthly revenues during the winter of 1998-99 had it been in place. If yes, please provide a copy of the analysis including all workpapers and supporting documentation. If not, please explain why not.
83. For two billing cycles of the Company's choice, please provide workpapers and supporting documentation showing the calculation of each of the following for both the residential and small commercial classes for each month of the winter of 1998-99 had the WNA been in place:
- a. The Base Load (BL)
 - b. The Heating Load (HL)
 - c. The Heating Degree Factor (HDF)
 - d. The Weather Normalization Adjustment Consumption (WNAC)
 - e. The Weather Normalization Adjustment Factor (WNAF)

84. Please state whether the Company has made any changes to Original Sheet Nos. 30-35 of P.S.C. No. 9 contained in the tariff sheets filed in this proceeding compared to Original Sheet Nos. 30-35 of P.S.C. No. 8 filed in Case No. 99-070. If yes, please explain all such changes.
85. Please state whether the Company would agree that the reference to case No. 97-066 under part (a) of Performance-Based Cost Controls on Sheet No. 33 of P.S.C. No. 9 should be revised to Case No. 99-176 in order to reflect the Commission's findings in this proceeding. If not, please explain why not.
86. Please state whether the Company is aware of any changes which are necessary to its responses to the Attorney General's or the Commission's data requests in Case No. 99-070 with regard to the Company's proposed ARP. If yes, please identify the responses requiring modification and provide revised responses.
87. Reference Mr. Seelye's testimony at page 3, line 10. Is the fully allocated cost study performed by Mr. Seelye also properly characterized as a fully allocated, average, embedded class cost of service study? If not, explain which term does not properly characterize the study performed by Mr. Seelye.
88. Reference Mr. Seelye's testimony at page 3, line 17. The words rates and cost appear therein.
 - a. Confirm that, as stated, the referenced rate/cost comparison is the relationship between average revenue per unit of service and average cost per unit of service. If Mr. Seelye disagrees, please explain exactly what Mr. Seelye disagrees with and explain precisely why.
 - b. Confirm that the "indication" Mr. Seelye is addressing here could also be performed by comparing class revenues to the allocated costs of providing service to each customer class. Again, if Mr. Seelye cannot confirm this statement, please state what is wrong and why it is wrong.
89.
 - a. Please explain why DEM02, was used to allocate storage demand-related costs to class.
 - b. Are transportation volumes included in "class deliveries?" (Seelye Testimony, page 8, line 14) Why or why not?
90. Reference Seelye Testimony, page 8, lines 18-20.
 - a. Please provide workpapers detailing the derivation of class maximum demands at zero-degree design day temperature.
 - b. What is the frequency of expected design-day temperature? Once in 10 years? 15 years? 20 years? etc. Provide workpapers.

91. Reference Seelye Testimony, page 10, lines 1-2. Please provide workpapers for the estimated cost of installing a typical service line per customer in each customer class.
92. Reference Mr. Seelye Testimony, page 11, lines 3-14.
 - a. Did Mr. Seelye or Delta investigate the use of the minimum system methodology for use in this proceeding? If no, why not.
 - b. If the answer to a. is yes, please provide any assembled minimum system cost data, any calculations, and any results of any study of the minimum system methodology performed on the Delta system.
93. Please provide gas-delivery-to-end-user interruption experience on the Company's system, for gas otherwise reaching the Company's citygates, for the last ten years:
 - a. Date of interruptions.
 - b. Volumes interrupted.
 - c. Number of customers interrupted and class in which interrupted customers are housed.
 - d. Reason for interruption.
94. For the ten largest company construction projects to provide service to new customers (as opposed to construction projects related to maintenance) since 1995, please provide the information provided to managers responsible for the approval of such projects.
95. Reference Seelye Testimony, page 12, line 1.
 - a. Please provide copies of any relevant source material Mr. Seelye relied upon for his understanding that the zero intercept method rests upon a linear, as opposed to, say, a curvilinear relationship.
 - b. Did Mr. Seelye investigate whether a curvilinear relationship between unit cost and pipe diameter produced a statistically better relationship than a linear relationship? If not, why not? If yes, please provide the study and its results.
96. Reference Mr. Seelye Testimony, page 12, line 17 - page 13, line 8. Provide whatever authoritative text support or other authoritative support Mr. Seelye is aware of for the weighting scheme he proposes in applying the zero intercept methodology to Delta.
97. Please have Mr. Seelye describe, based on his understanding of Delta operations and his understanding of local distribution company operations in general, the basic service that Delta

provides its end user sales and transportation customers.

98. Please provide a map of the Delta natural gas distribution system. Please annotate the map to locate pipeline interconnections, and any LNG or propane or other peak shaving facilities.
99.
 - a. Please provide a listing of all allocation factors and their numerical values.
 - b. Separately for each demand factor, explain what each factor is (e.g., peak demand on design day excluding transmission customers, etc.) and how that factor differs from other demand allocation factors.
 - c. Separately for each customer allocation factor, explain what each factor is and how that factor differs from other customer allocation factors.
100. For each demand allocator, please state the basis for the amounts of interruptible customer demands included in the allocator. If the interruptible customer demands used to determine the demand allocators are less than either the contract demands or the actual interruptible demands during recent peak demands, explain why the smaller demands have been used.
101. Please identify the probability of design peak day occurrence for the Company's design peak day criteria. Include supporting workpapers and documentation.
102. Please provide a detailed supply and requirements schedule for the Company's three most recent annual peak days, including the 1996-97 winter season. The schedules should include deliveries to meet demands by source (i.e., FTS, contract storage service, on-system storage, propane, etc. by pipeline rate schedule) and requirements by customer class. Separately identify deliveries and requirements for transportation customers. Also provide the Company's daily sendout sheet for each peak day and the applicable weather data.
103. Please provide a summary identifying the salient features of each of the following currently in effect. Salient features include contract party, effective term and applicable contract entitlements (daily, annual, seasonal, etc.).
 - a. All firm transportation and no-notice agreements by type. Indicate whether the capacity is available at the Company's citygate to meet design day requirements or is upstream capacity. Identify the applicable downstream pipeline for each upstream arrangement.
 - b. All storage, gathering and exchange agreements. Indicate if each agreement provides design day capacity at the citygate or requires separate transportation (identify) service to effectuate delivery. Include any on-system storage and peak shaving facilities used by the Company.
 - c. Please reconcile the capacity entitlements identified in subparts a and b with the design day

entitlements provided in response to the previous question.

104. Please provide a detailed description of the Company's meter testing and change-out program.
105. Please identify the bill preparation time required for each rate schedule/customer class reflected in the Company's cost of service study. Include copies of any analyses or studies conducted by the Company examining this issue.
106. For each rate schedule/customer class reflected in the Company's cost of service study, please:
 - a. identify the number of meters in service;
 - b. identify the number of times each month the meters of the various rate schedules/customer classes are physically read (i.e., daily, bi-monthly with estimated readings on alternating months); and
 - c. provide copies of any analyses or studies prepared by the Company examining meter reading time requirements by the various classes of customers served.
107. Please provide copies of any analyses, studies or documents which identify the frequency of billing inquiries by customer class and the time required to address those inquiries.
108. Please identify:
 - a. the O&M account in which costs associated with the Company's account representatives are reflected;
 - b. total expenses associated with account representatives; and
 - c. the number of representatives servicing or assigned to each particular customer class.
109. Please provide actual and weather normalized sales volumes and number of customers by rate schedule for each month from January 1998 through that most recently available. Include supporting normalization workpapers and documentation.
110. Please provide actual and weather normalized transportation volumes and number of customers by rate schedule for each month from January 1998 through that most recently available. Include supporting normalization workpapers and documentation.
111. Please provide copies of any studies conducted by Delta which examine the effect of transportation customer imbalances on system sales customers' gas costs.
112. Please provide a schedule separately identifying all interruptions of transportation or retail

sales service on the Delta system since 1994 due to capacity constraints on Delta's distribution system. Identify the length of interruption, the volumes interrupted, the rate schedule of the interrupted customers, and the area in which interruptions occurred if the interruption was local rather than general on the Delta system.

113. Please explain how often most of Delta's transportation customers generally revise their nominations for deliveries into Delta's system by class. Hourly, daily, monthly?
114. Please identify the monthly quantity of standby service reserved by transportation customers during the period January 1996 to present.
115. Please provide all workpapers, calculations, documentation and studies relied upon or utilized to develop each allocation factor reflected in the Company's cost of service study. Include copies of all computer files on Lotus 1-2-3, Quattro or Excel format.
116. Please provide a copy of the Company's cost of service study on computer diskette in Lotus 1-2-3, Quattro or Excel format.
117. Please provide copies of all studies and analyses prepared by the Company which examine usage per customer for new homes and converting customers, and the usage per customer for new homes and converting customers with that of present customers.
118. List all the different pressures utilized by Delta in the operation of its system, and explain the operation of Delta's system with respect to change in gas pressures and the reason for the changes in gas pressures.
119. For 1966, 1997 and 1998, please provide the following information regarding Delta's distribution (gas delivery) system:
 - a. The highest peak day and each classes' contribution to that peak day;
 - b. The non-coincident peak (NCP) by the class and time of occurrence;
 - c. The highest three-day peak and each classes' contribution to that three-day peak;
 - d. Delta's design peak day;
 - e. The amount of firm and interruptible load by rate class in the CP and NCP data; and
 - f. A reconciliation of these factors with the demand allocators utilized in Delta's gas cost of service study.
120. Please provide workpapers for all numbers or Mr. Walker's testimony, for which there are workpapers, i.e., load factor representations, on residential rate increases to achieve overall rate

of return being 1.66 times total increase, etc.

121. Reference Mr. Walker's testimony at page 14, lines 4-10. Does Mr. Walker admit that the larger customers usage of the Delta's system was 1.8 times (40%/22%) the usage of the smaller customers. If no, please explain why.